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Business India

e magazine of the corporate world
October 30 to November 12, 1989
Rs. 7

ELECTION PROMISES '89

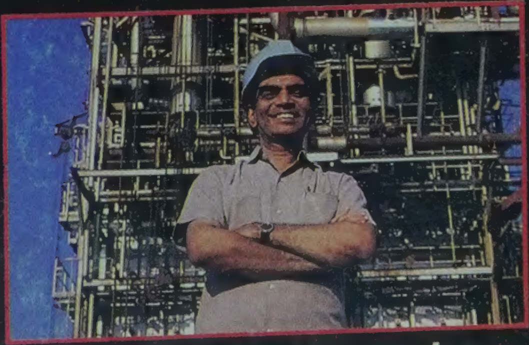
Under whom will you be better off?

INSIDE

THE SARDAR SAROVAR CONTROVERSY
ARE THE CRITICS RIGHT?

ET&T: introducing the people's PC

Festive markets



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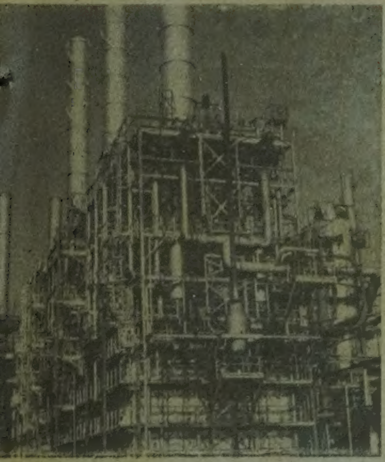

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Published and printed by
A.H. Advani
of BUSINESS INDIA
Wadia Building 17/19 Dalal
Street, Bombay 400 001,
at the Tata Press Limited,
Bombay 400 025
& Phototypeset by
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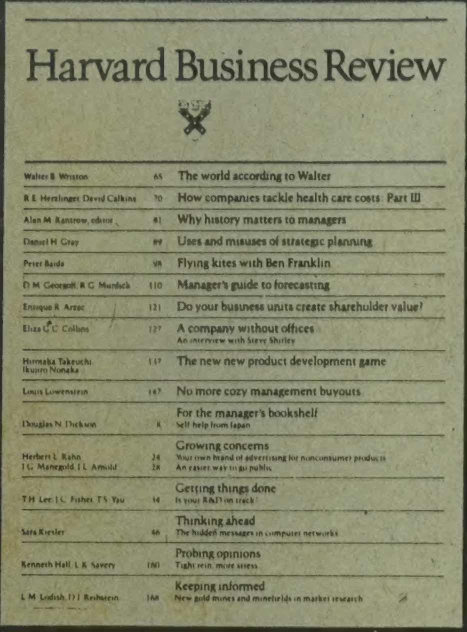

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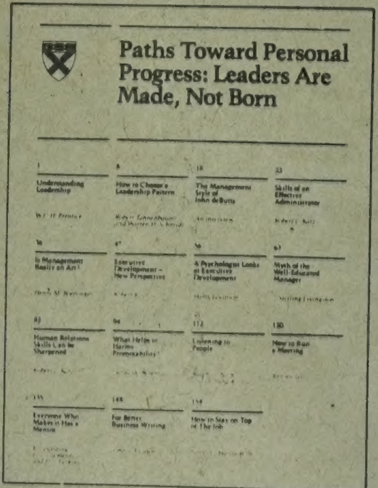

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Production Manager	Henry Serrao
Distribution	India Book House Pvt Ltd
Registered Office	Wadia Building, 17/19 Dalal Street, Fort, Bombay 400 001. Tel: 274161/271558
Editorial, Marketing, Advertising & Administration Office	Nirmal, 18th floor, Nariman Point, Bombay 400 021 Tel: 204 6236/202 4422/202 4424 Telex: 11 3557 BZIN IN
Delhi Office	59, Regal Building, Connaught Circus, New Delhi 110 001 Tel: 312485 Telex: 031-61359 NFW IN
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LETTER FROM THE PUBLISHER

The outcome of the elections will not depend on economic issues. The main political parties have focused on larger issues of corruption, internal strife, and national unity. In fact, in all our past elections too, little attention has been paid to economic issues, except in 1971 when Indira Gandhi went to the polls on the *garibi hatao* slogan.

However, the electorate too does not ask the question: "Under whom will we be better off?" Our economic conditions have been very poor since independence. Large numbers are mired in poverty from which there seems to be, to their minds, no escape. Many fatalistically accept their plight. Few believe that the government can make policy changes that can radically alter their lot. It is then not surprising that economic issues are barely discussed at elections.

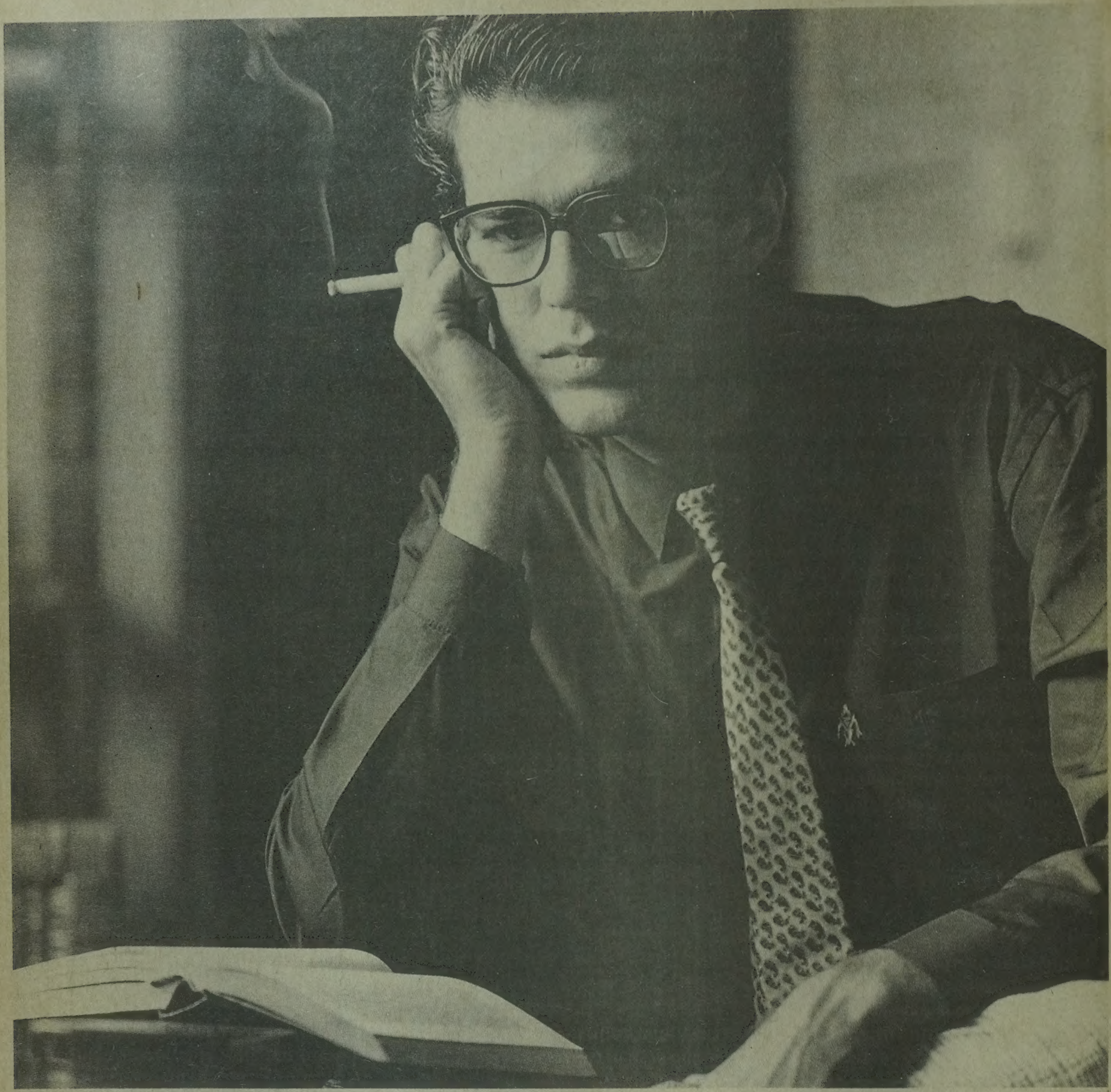
In the rest of the world, particularly in the West, elections are dominated by economic issues. The performance of a party at the polls usually depends on the performance of the government on the key issues of prices and employment. But inspite of the fact that the average Indian has consistently had a terrible deal on both counts, the major political parties have shied away from these issues. However, this time around, the Congress (I) has rightly pointed to the track record of the Rajiv Gandhi government, and the opposition is determined to draw attention to rising prices.

However, all political parties continue to be vague on key economic issues. Also, whatever little is said is couched in generalities. They just do not spell out or explain the implications of the positions they take on each major issue. What is worse, several of the positions stated are full of contradictions.

Yet our day-to-day living conditions depend very much on policy decisions taken by government. What kind of jobs will be created, how much we have to pay for our items of daily use; as also whether we can even get decent housing, and amenities like water and electricity are all matters about which the party in power can do a great deal. We believe that the policies of the government are often directly responsible for the economic results. And if the results are poor, then the government clearly is to blame; and equally, the government can take credit for its successes. It is for this reason that, in this time's cover story we focus on key economic issues.

Even though no party's political manifesto spells out coherently its economic ideas, we feel it is important for the voter to understand the possible implications of the positions adopted by the different parties. We do not believe that the electorate will (or should) decide on economic considerations alone. But we do feel it is absolutely legitimate for us to ask the question: "Under whom will we be better off?"

Ashok H. Advani



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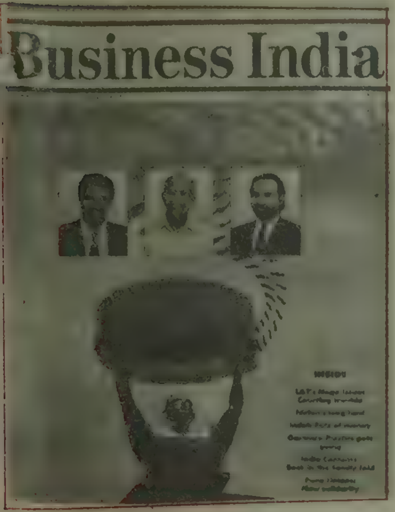


• Interesting

The cover feature 'Racing Ahead' (2 October) made interesting reading. MRF has indeed made impressive strides and is currently the market leader, marching ahead towards a bright future. A striking fact about the company is that the major shareholding rests with the family; protecting it from takeovers.

S. RAMESH
Bangalore

• Capital formation

This refers to 'Courting trouble' (Focus, 2 October). A mess has been created in the capital market through the deliberate and gross irresponsible acts by public financial institutions, mutual fund operators and the CCI. This will only undermine public confidence in stockmarkets, which will hinder capital formation and growth.

R. MITRA
Pune

• Objective analysis

You have done a service to your readers by presenting an objective analysis of the forthcoming mega issues (Cover Feature, 18 September). Some of the projects envisaged seem to be ill-considered. Essar and Usha Rectifier are putting up large sponge iron projects as are, Grasim Industries, Jindal Strips, Nippon Denro Ispat and others. Where is the market for sponge iron? Are furnace steel plants, popularly known as the mini steel plants, the only consumers for sponge iron? The arc furnace industry itself faces stiff power shortages. The companies so enthusiastically setting up sponge iron plants should understand that power availability in the country is not likely to improve in the next ten years or so. What will happen to the surplus sponge iron?

An unhappy parallel is the cement industry. There was a rush to set up cement plants, encouraged by rosy market projections of rapidly growing cement consumption. Today there is a cement glut and many plants are on the verge of closure. Even ACC was compelled to skip dividends this year. It is a case of blind leading the blind. And it is the investors' hard earned-money which is at risk.

I.J.S. BASSI
New Delhi

• Racing ahead

We read with great interest your cover story featuring MRF (2 October). MRF is what it is today because of hard work, consistent quality and a "revolutionary replacement policy". Also we bring to notice, MRF's dealer-oriented marketing strategies. There were days when multinationals dominated the tyre industry, from 1950 till 1975, but thanks to Modi Rubber and MRF, this domination was broken. MRF's after sales service and its reasonable pricing gave it an edge over Modi Rubber. MRF's Sabash Service cannot be matched by any other competitor.

R. SANKARANARAYANAN
R. MUTHUKUMAR
Madras

• Not so bleak

While it is important to keep production costs and pharma research within control, it is equally important not to lose sight of new developments ('Bleak Scenario', 18 September). The name of the game for new pharmaceutical research is genetics.

The complexion of research and its applications are of course, changing. For example, gene transfers to crop plants are round the corner even in India and herbicide-resistant plants can be expected soon.

The Rs.3,000 crore turnover of the Indian pharmaceutical industry is not small. It is more than 5 per cent of the US pharmaceutical industry. Even if our industry uses 1 per cent of it for research, the scenario may be better.

N.K. NOTANI
Bombay

• I refer to 'Bleak Scenario' in pharma research (Technology, 18 September). The bureaucrats and the government refuse to acknowledge that R&D expenditure is a legitimate business expenditure. A manufacturer is certainly entitled to recover a reasonable part of the research cost from the products. But there is no provision for this in the rigidly monitored pricing mechanism.

The pricing mechanism does not offer any reward for the development of new processes that result in import substitution or cost reduction. Where is the incentive for the manufacturer?

SATISH ANAND BIJOOR
Bombay

• Commendable feature

Congratulations for your hard-hitting article on 'Mega issues: The big bait' (18 September). However, I would like to make the following observations: The article vindicates the trust that investors have placed in the financial magazines.

The most striking feature of the article is that although more than 70 per cent of those queried intended to invest in these issues, your magazine analysed the various mega issues involved and came to a conclusion contrary to the prevailing one.

Your older readers will recall Sanchayita Investments, which had to wind up subsequently. Their method of paying 4 per cent (payable monthly) interest to existing investors was with the money raised from new investors. No productive assets or avenues were actually acquired or explored by the fund.

M.K. DAS GUPTA
Barasat

• Who cares for Mama Nature?

'The greening of foreign policy' by Jaswant Singh (Government, 18 September) was very interesting and timely.

The concluding lines of his article are worthy of consideration by the powers in politics, economics and defence. Can one state why the world population faces annihilation for no fault of theirs?

Adopting high tech devices that work against the rules of nature is the main cause. The human race will have to face the dire consequences of breaking the rules of the game nature wants us to play.

C.M. PANDIT
Bombay

• Welcome rules

I welcome the change in the Investor Contest rules which you have introduced from your issue dated 4-17 September.

VINOD KUMAR
Porbandar

• The sure way

In 'Are you sure ?' (FYI, 21 August), the writer has expressed astonishment at the office systems and procedures in a leading engineering organisation with regard to purchase of capital equipment. In order to ensure that the five factors of productivity — the five Ms — (man, machine, materials, money and methods) are deployed in the right proportion, the six Ws (what, when, why, who, where and which) need to be defined. This is a time tested tenet which a rational executive would practise. Otherwise profit maximization or cost reduction is not practicable.

I. RAVINDRANATHAN
Madras

• Theory of TV ads

This is a response to 'Are TV ads a waste?' (Advertising, 24 July). The statements made by the researcher appear contradictory. At one point Gerard Tellis says, "There was little evidence that TV advertising brought people to a new brand." Then he goes on to say that TV advertising is well suited to new, innovative products where the advertising is information based and novelty oriented. Again, Tellis' contention that people buy Coke out of habit and product loyalty" and not because of TV ads, makes one wonder how a "habit" and "product loyalty" is created.

When Coke, after 100 years of existence, advertises on TV, it may not be looking for new users; it may merely want to retain the existing ones. It may simply be ensuring that a Pepsi ad, which is "information based and novelty oriented" does not convert people's loyalty.

The hypothesis that in India, TV ads make more interesting viewing than the TV programmes, needs to be tested. I am confident that the results will be in favour of the ads.

ASEEM SONI
Gujarat

• A national waste

I refer to 'A culture change' (Public Sector, 24 July). It is reported that the Bhilai Steel Plant consumes 1.5 tonnes of coal per one tonne of finished steel.

As against this, the 75-year-old TISCO plant has reduced its consumption from 796 kg to 695 kg of coal per tonne of finished steel (source: TISCO annual report for 1988-89). In Bhilai, therefore, consumption is higher by about 800 kg. Thus, on an estimated production of saleable steel 2.54 million tonnes (mt) of excess consumption of coal will be about 2.03 mt of coal. And at a delivered cost of Rs.479 per mt the total loss will be about Rs.97 crores. I hope the authorities concerned will look into this colossal waste.

And, worse still, Bhilai is considered a better run plant than those at Durgapur and Rourkela.

PREM KUMAR RASTOGI
Lucknow

• Needs debugging

While 'Debunking the myths' of pharmaceutical marketing (10 July) the author has created some bugs which need debugging.

The sixth myth, factually indicates that selective promotion, pays handsomely; whereas the ninth myth makes selecting doctors an exacting and difficult exercise. So, where do we go from here?

The sixth myth is based on the 80:20 law, which in itself is an assumption. The ninth myth, in total contradiction, states that selection based on assumptions are often erroneous!

The 6th and 9th myth seem to have some lateral inversions which need clarificatory notes.

Y.V.S. VINOD
Bangalore

• Consumer, yet to be king

I liked A.N. Maira's article 'The customer is king'. (Management, 10 July). In fact, I read, it out in the classroom to 3rd year BCom students to lend further support to the argument that the consumer is the linchpin of a growing economy.

The author has well adumbrated the need to combine the latest potentialities in meeting the aspirations of consumers in an aspiring economy like ours. He rightly declares that 'customers are not supplicants' and that "any department which is not focussed to serve its internal or external customers better is a non-productive burden".

It is a pity that in many areas, specially in Tamil Nadu, a consumer is not the king. I realise now how Bombay became the business capital of India.

A. FRANCIS DEVARAJ
Tiruchirapalli

• Embarrassed

I refer to "Assam under seige" (Special Report, 26 June). Certain discrepancies have been found. There are only about 30 steel rolling mills in Assam and not 100 as quoted in the report.

Quoting wrong figures, although perhaps by oversight, has put me in an embarrassing position.

M.C. JALAN
Chairman
Purbanchal Steel Ltd
Guwahati

• Populist measure

I refer to Mohan Guruswamy's article (Column, 26 June). The author has rightly pointed out that the Panchayati Raj Bill is nothing but a populist meas[illegible] to camouflage more pressi[illegible] issues and boost the morale of the Congress party.

The bill has only armed the bureaucrats with enormous powers. The Panchayati Raj concept can work efficiently only if elected representatives are given real power.

KRISHNA PRASAD
Pondicherry

• "Foreign hand" in China too!

Editors in India have been at their sanctimonious best over the happenings in China. But frankly, who are we to pass judgement on these matters? Our army's record since independence in Punjab and in Sri Lanka, to name but a few places, is hushed up in a nationwide coverup.

But we can take pride in the fact that the Chinese leaders have learnt from India. Notice their invocation of "the foreign hand?"

R. SIDDHARTH
Bangalore

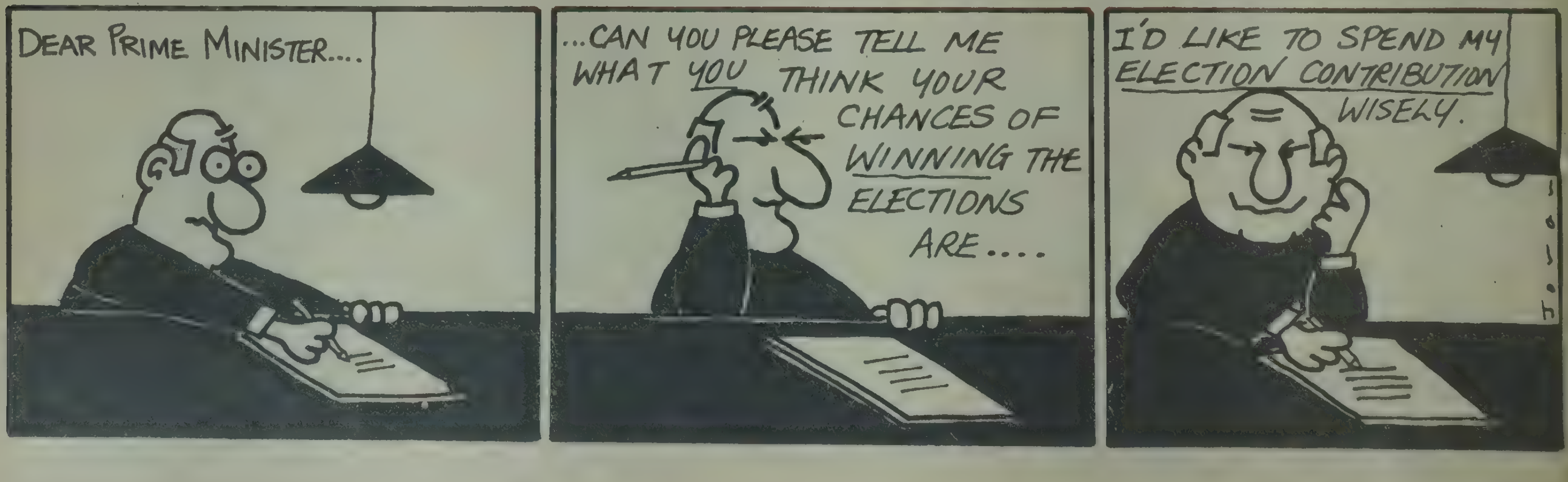
• Informative

I am a commerce graduate studying labour laws and personnel management. I found the articles pertaining to these sections in your magazine interesting and useful.

M. PRABHAKARAN
Erode

LIKE FATHER, UNLIKE SON

by Joran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BECAUSE

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BECAUSE

THE SAMPLES HE NEEDED

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BECAUSE

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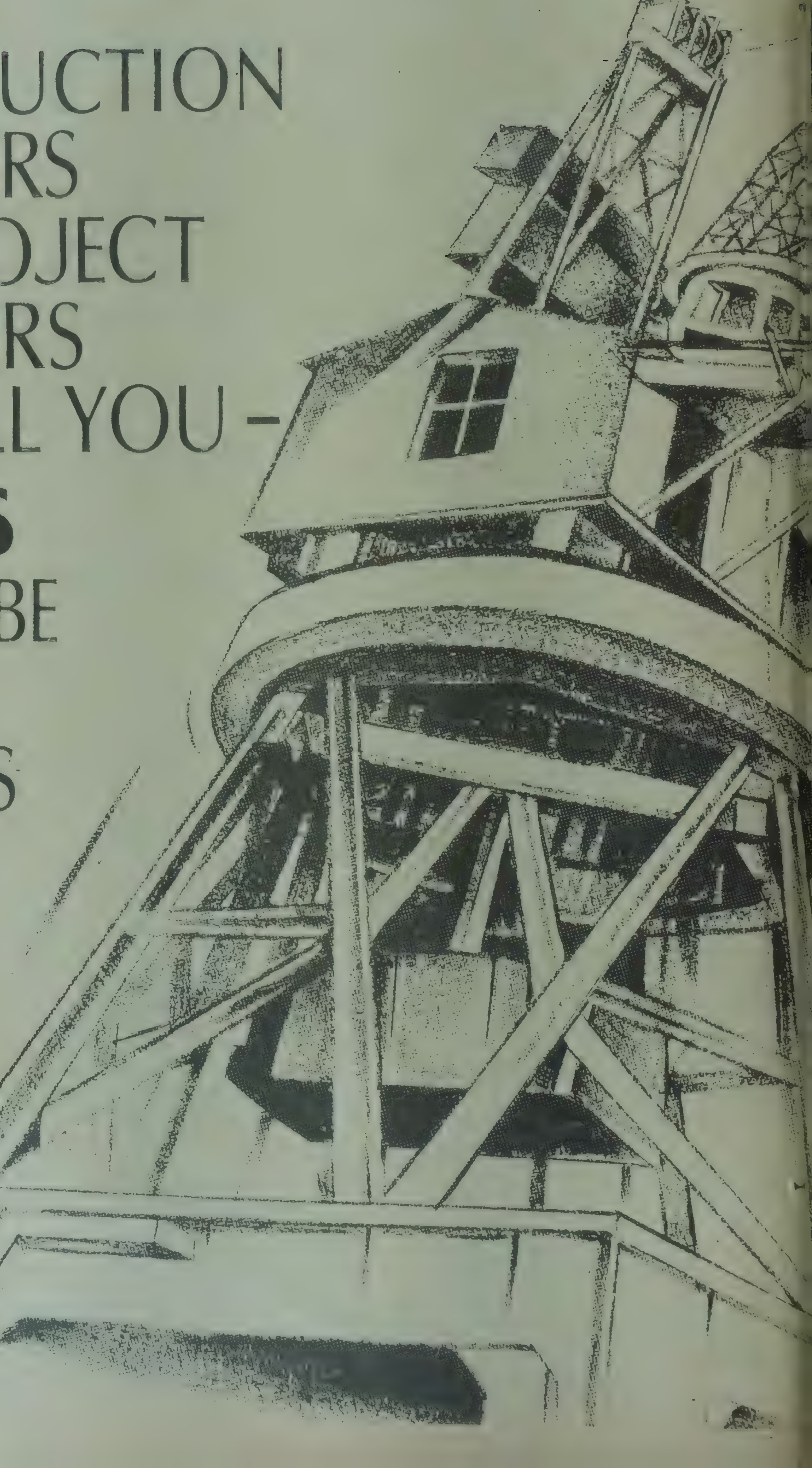
SHOULD BE IN THE GUINNESS BOOK



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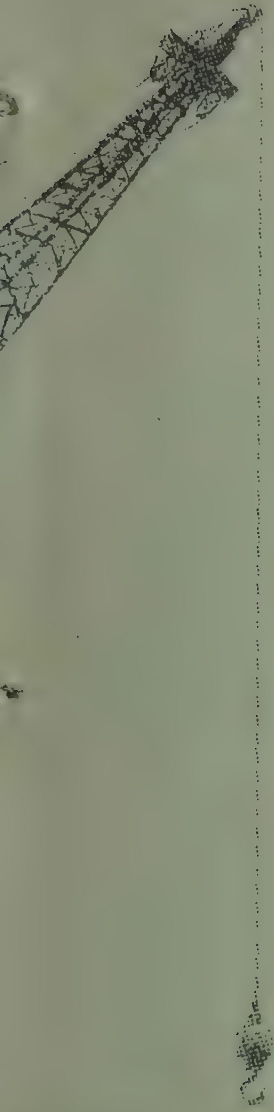
The Thapar Group



If the Guinness Book of Records took a look at Indian industry, Greaves would surely be mentioned for all its records!

Moving the earth to build India

Greaves Construction Equipment Division markets a comprehensive range of loaders, dump trucks and other earthmoving equipment from abroad. Indigenous equipment includes the breakthrough concrete pumps in collaboration with Schwing GmbH, W. Germany. And vibratory compactors in collaboration with Bomag GmbH

Greaves Chitram was the first Indian manufacturer of cranes, winches, hoists and gates. Greaves Chitram's heavy-duty cranes are today used by 80 percent of India's State Electricity Boards, power houses, and at atomic energy projects. The 150-tonne capacity gantry crane at Cochin Shipyard is India's largest -- Asia's second largest!

Projects: concept to commissioning

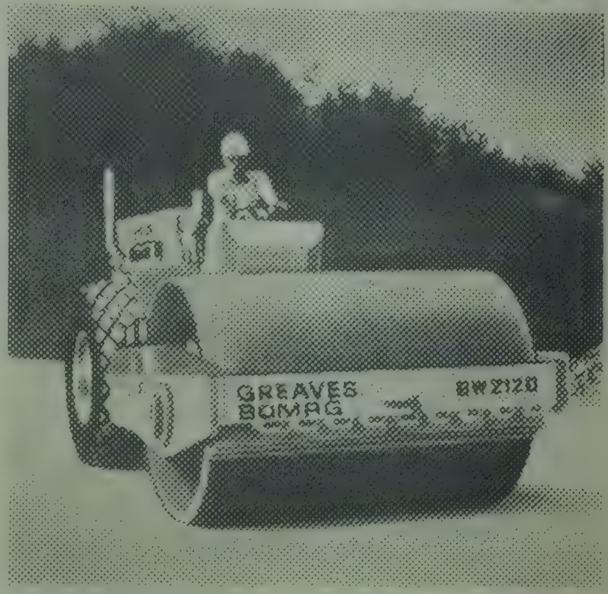
Turnkey expertise is what the Greaves Project Division is all about. Sound financial backing, in-house design and manufacturing facilities, on-going tie-ups with reputed manufacturers, access to the latest international know-how: all these make Greaves the ideal project partner.

Current capabilities include port handling, coal handling, steel plant rehabilitation and modernisation, sewage and industrial waste-water treatment, dust extraction and ventilation, bulk and bagged handling of food grains and fertilisers.

GREAVES
Concrete Pump

Greaves today: the Encyclopedia of Engineering

Today there's no cotton in Greaves Cotton, except in the name. Diversification and growth have made Greaves a major multi-technology and multi-market Group. With its own manufacturing plants, and those of its Associate and Subsidiary Companies. With Regional and Branch Offices country-wide.



And with specialised Marketing Divisions selling and servicing equipment in diverse fields: agriculture, aviation and electronics, construction and earthmoving, diamond tools, exports; industrial products, marine engineering, mechanical handling, medical electronics, mining, oil exploration and drilling, and turnkey projects.

In many fields, Greaves takes its own high-tech higher through collaboration with world leaders overseas.

Shaping the future

Greaves today has strong roots in its eventful 130-year-old past. And a clear vision of the fast-changing future.

Tomorrow's high-tech areas are already being developed. Sophisticated MWM D234 diesel engines. Medical electronics. Portable gensets. Horizontal split-casing and process pumps. Oilfield chemicals. Integrated circuits. Petrochemicals. And more.

So, if you want to know what the 21st century will bring, look to Greaves for the answers.

GREAVES GROUP

SHAPING THE FUTURE

GREAVES

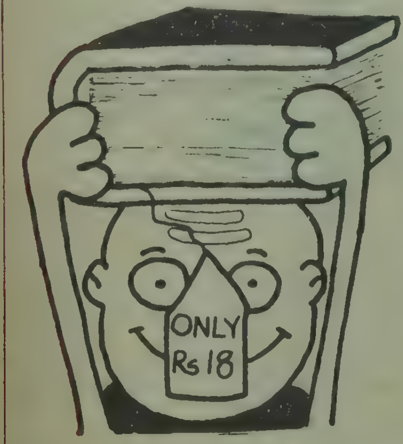
Greaves Cotton & Co. Ltd.

FOR YOUR INFORMATION

A great bargain

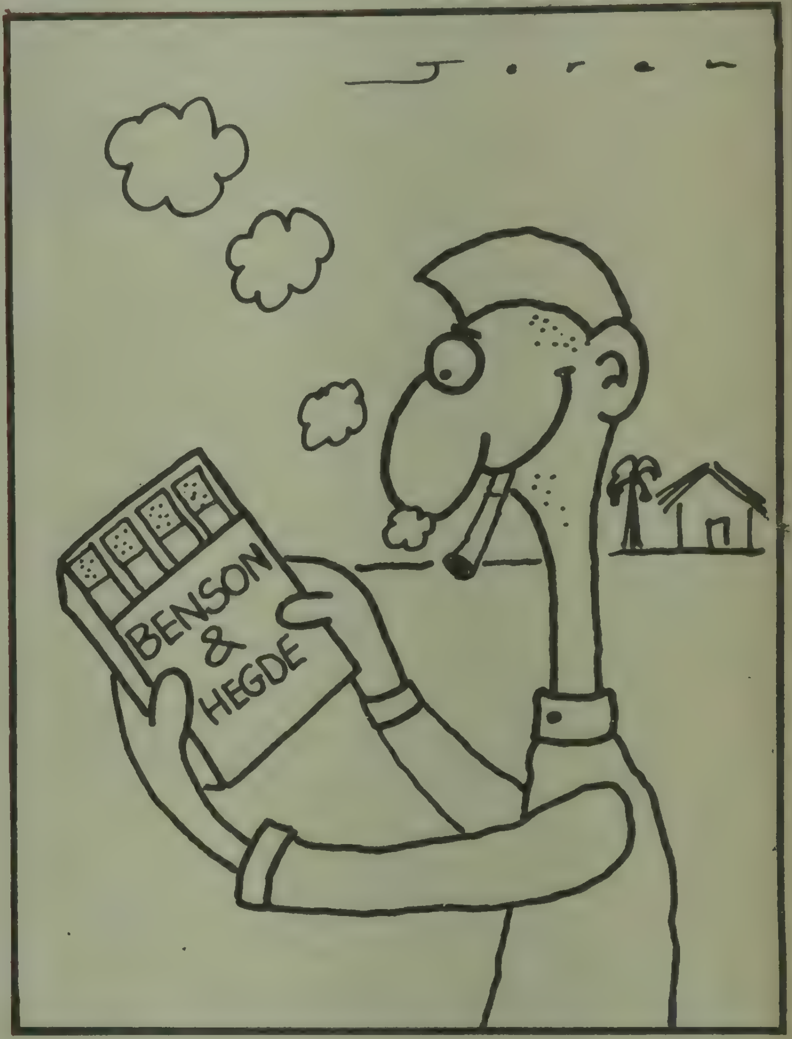
The 1982 edition of the Tamil discourse on Srimad Bhagavadgita by Swami Chidbhavananda of Ramakrishna Tapovanam, Tamil Nadu, had the following statement in the publisher's note: 'The first edition (1951) was released for Rs.9. The second and third editions were priced at Rs.3.75 so that more readers could benefit. As a result of the increase in the price of paper, the cost of the 13th edition (1980) went up to Rs.16. Even though paper for the present 14th edition has been supplied to us by the government at subsidised rates, it is necessary for us to fix the price of the book at Rs.18.'

And the hardbound book contains 916 pages!



R. MURALI
Bombay

Unfair and unlovely



In village shops, superior goods resembling popular consumer products are a common enough sight.

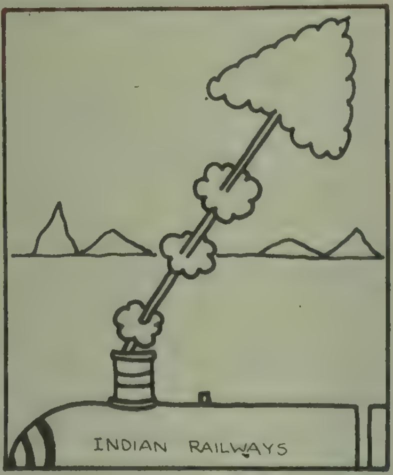
Cute and Lovely comes in a similar pack as Fair and Lovely. Vimel textiles and Bota hawai chappals are other ingenious adaptations.

JAYANTHI SRINIVASAN
Mettur Dam

Ballooning wage bills

The "average annual cost per employee" in the Indian Railways annual report makes interesting reading:

Year	Amount (Rs.)
1950-51	1,263
1960-61	1,799
1970-71	3,398
1980-81	8,435
1986-87	20,862
1987-88	24,808



A.K. ROY
Rishra

Wrong priorities

How does our largest bank compare with some of the other leading banks in the world? The following statistics — gleaned from a recent issue of *Fortune International* — provide an interesting answer.

SBI ranks first in the number of employees and branches and 76th in terms of total assets. But despite having nearly 300,000 employees, the quality of service, when compared to foreign banks, leaves much to be desired. No doubt the public sector is more employment-oriented, but that should not stop them from serving their customers well.

Maybe SBI deserves kudos for another distinction: having the largest number of mute clients, who just sit back and suffer.

R.M. PAI and V.S. KUMAR
Thane

Rank (1988)	Bank	Country	Assets (*$ millions*)	Offices (*number*)	Employees (*number*)
76	State Bank of India	India	49,541.0	11,361	284,802
49	Banco Do Brazil	Brazil	79,961.0	4,100	133,425
13	Barclays Bank	Britain	189,250.5	4,100	118,410
10	Credit Agricole	France	210,566.3	9,746	73,693
7	Norinchukin Bank	Japan	235,944.3	39	3,163
1	Dai-Ichi Kangyo	Japan	379,322.8	374	18,663

Business India invites readers to send original unpublished contributions to this page. The snippets can be humorous, insightful, outrageous or simply, informative. Each snippet must carry this coupon.

Rs. 50 paid for each published contribution.

An enlightened employer

In these days of industrial strife, the example of John J. Eagan, the first president of the American Cast Iron Pipe Company (ACIPCO), is worth emulating.

Prior to his death in 1924, Eagan set up a trust based on all the common stock of ACIPCO, naming its employees as the beneficiaries. Needless to say with this trailblazing initiative, the gains to the work force were substantial. They included security of employment, a profit-related bonus, life insurance, pensions and even a home purchasing plan.

In addition to all this, ACIPCO provided each employee with free medical and dental care, a round-the-clock restaurant service, an educational and training programme and works safety committees. The concept of worker participation was also put into practice — 12 elected members of the work force advised the management on aspects affecting employee relations, and two worker representatives served on the main board of the company.

Many of the then unheard of benefits of the Eagan Trust became the accepted norm in other industrial units in the US subsequenly. What is gratifying, however, is that there still exist a few unique advantages in being an ACIPCO employee. For instance, under the "extra compensation plan", a share out of the quarterly profits is set aside for maintenance and expansion and a similar share is distributed to employees in relation to their earnings as a bonus.

A remarkable social initiative started at a time when such things could never even be dreamt of.

V.V.R. SHASTRTY
Pune

Computerised recruitment

The Singareni Collieries of Kothagudem, Andhra Pradesh, is in the process of computerising its recruitment procedure. It is all set to introduce a novel scheme to recruit staff for all posts, including clerks, executives and technicians. Candidates will be required to answer different question papers picked up by the computer from a question bank. Once the answers are fed in, the computer will declare the results on the spot.

CONGRATULATIONS!

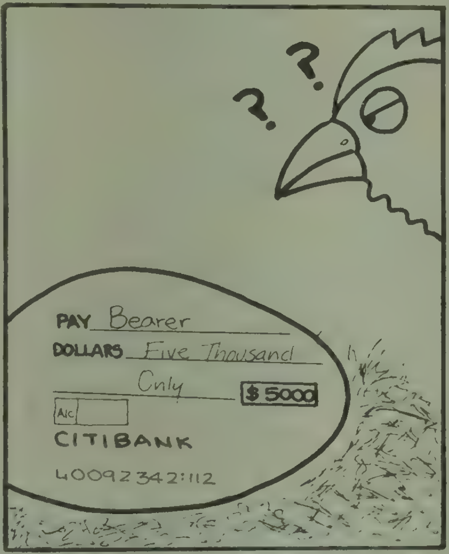
Significantly, Singareni Collieries is completing its centenary this year (1889-1989). In introducing totally impartial recruitment, the Collieries appears to be celebrating this milestone more meaningfully than by just having the usual anniversary bash.

K. MADHUSUDHAN
Hyderabad

Chequered career

History records the existence of cheques as far back as the 9th century BC. The first printed cheque was issued in 1762 by the House of Child, a business company that is still functioning at London. But hand written cheques had their origin among the goldsmiths of London in the 17th Century. A *hundi* or pay order is only a form of a cheque. They were in vogue in India even in olden times.

Today, almost all cheques are written on special cheque forms issued by banks, but legally they need not be. In the past, cheques have been written on handkerchiefs, cigarette making paper, visiting cards and even on newspapers. One written on a hard boiled egg was cashed by the Canadian Bank of Commerce. A carpenter issued cheques on shingles made by him. His bank constructed a special type of cabinet for him. Cheques have been written on steel plates with a blow torch. One man settled his income tax by sending a cheque for Rs.0.00 on receipt of a number of reminders for that amount through a computerised income tax office.



Ivy Baker Priest, a former US secretary to the treasury, US, whose signature appeared on all one dollar notes in 1956, could not cash her cheque in a New York bank even after comparing it with her signature on the dollar note!

G.V. JOSHI
Pune

One jump ahead

Young MBAs with rather limited ideas about industrial relations could benefit by picking up a tip or two from that old war horse, Darbari Seth.

One of the most respected managers in the country, Seth was recently recalling the time when union leaders at the Mithapur plant of Tata Chemicals Ltd came asking for a salary hike of 50 paise (per employee per day). Says Seth, "Even before the workers had approached me, I had decided that I would reward them with a good hike. So I told the leaders, 'No, I do not agree with your demand.' Surprised, the workers asked me, 'But why?' So I told them, 'I will give you a hike — of one rupee'."

Now it was Seth's turn to be surprised. The union leaders told him, "We cannot accept your proposal. We want a hike of one rupee and one paisa". When he asked for the reason, the chairman was told, "We can now go back to the workers and tell them, 'Sethji was giving us one rupee, but we have got you more than what he offered'." "It was a matter of the ego for them but I immediately agreed," recalls Seth.

The result was that there were cordial relations thereafter and the workers began trusting Seth. Once there was a massive power failure at the plant and when the chairman reached the transformer room at 9 pm, the workers, who had gathered there, immediately shouted, "Now that Sethji has arrived, everything will be okay." Such is the stuff living legends are made of!

R.B.
Bombay

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Fund time ahead

Not to be left behind, Canbank Mutual Fund which has changed the texture of the mutual funds business right from the word go, will soon launch an offshore fund. This comes soon after SBI Mutual Fund's successful entry in the US market, where it recently raised $157 million by privately placing the offer with institutions. Negotiations have started for a collaboration between Canbank and Indo-Suez Bank, Paris to float an offshore fund. Side by side, Canbank is reportedly talking to the US investment banking firm, Shearson, Lehman, Hutton to float another fund through private placement. It is believed that the new funds will target to raise $50 million each, some time in the first quarter of 1990.

Promotional role over

Recent developments around IFB Industries, Calcutta, must have raised many an eyebrow. According to the Lyons Range grapevine, the West Bengal Industrial Development Corporation (WBIDC), credited with promoting IFB, renounced its 3 per cent holding in the now open IFB fully convertible debentures issue. The immediate gains were Rs.15 to 20 for every rights renunciation form. The powers-that-be in WBIDC appear to have forsaken an investment which would have cost them only Rs.18 lakh.

Apparently, the decision to renounce the rights was taken without consulting the private sector promoters. While WBIDC may want to stick to a promotional role and not invest in companies that have taken off, a question being asked is whether the renounced shares ought not to have been offered to the private sector promoters in accordance with established conventions.

Private, yet not so private

As the private sector races to enter the oil refining industry, there is news that the Public Investment Board (PIB) has, in principle, cleared a refinery project for Assam. According to those in the know, Indo-Burma Petroleum Company Ltd — listed on the Calcutta stock exchange, with 60 per cent shares held by the government of India — will soon be given the green signal to set up their refinery as well as a methanol project in a joint venture with the Assam government. It is expected that part of the financing will be made through a public issue in a joint venture company.

Another takeover target?

Sesa Goa, the Goa-based mining company, appears to be the latest on the list of takeover targets. The company's share price (face value Rs.10), which has, in recent times, hovered in the region of Rs.20 to 45, has risen sharply to Rs.70 over the past six weeks. Market sources say that between four and five hundred thousand shares have been bought in the past few weeks by brokers in Hyderabad and Bombay. The company's management is also believed to have refused the transfer of about 150,000 shares, presumably in reaction to fears of a takeover.

Shashi Ruia: a keen contender?

Marketmen in Bombay speculate that the Essar group — chief promoters Shashi and Ravi Ruia — may be a keen contender for control of the company, which has 21 mining concessions in Goa with proven iron ore resources of about 100 million tonnes. Sesa Goa's ore resources would be an attraction for Essar Gujarat, which is setting up three plants to manufacture sponge iron, hot rolled steel coils and iron ore pellets, even though it has an agreement with the National Mineral Development Corporation for supply of ore from its Bailadilla mines. Forty per cent of Sesa Goa's Rs.5.14-crore equity is held by Finsider of Italy, while the rest is widely distributed among 31,000-odd shareholders in the country.

Restructuring Wimco

It's some months now since the Wallenberg family that controls the Swedish Match Company, the parent company of Wimco in India, put up Swedish Match itself for sale, after some restructuring.

Singh: successful in finding a buyer

What happens to Wimco will necessarily depend on the new buyer of the match division of the parent. As in the case of RJR Nabisco restructuring overseas which was followed by Britannia in India being sold off separately, the Indian operations of Swedish Match may change hands separately. But with the match division under severe pressure from tiny sector and the foods division being a burden, how easy will it be to find any buyers?

In the meantime, Wimco has already decided to sell off the annode division separately. Apparently Kamaljit Singh, the former managing director of Wimco, who is still in London with Swedish Match, has roped in an Italian company to take over the business and start afresh.

AGROTECH SEES THE MIRACLE OF VANASPATI, POWER AND CATTLEFEED IN A GRAIN OF RICE.

INVEST IN IT.

Public Issue of 83,20,000 equity shares of Rs.10 each for cash at par.

THE COMPANY

From the rich, fertile heartland of India comes an investment opportunity of tremendous potential. Agrotech India Limited. A venture of the Punjab Agro Industries Corporation (PAIC) – the promoters of such prestigious ventures as PEPSI and NEWSPRINT. And co-promoted by the eminent industrialist of the Dhillon Group of Industries, Shri Kewal Dhillon.

THE PROJECT

With one of India's first paddy-processing complexes, Agrotech ushers in a unique concept in the field of agro industry: **total by-product utilization.** Converting a humble grain of paddy rice into high-demand vanaspati, power, cattlefeed and premium rice. **And Agrotech is already on stream.**

3 units, consisting of the 20-tonnes-per-hour rice mill, the plant for rice bran oil to make vanaspati, and the cattlefeed plant have already been implemented in a record time, well ahead of schedule. Generating a turnover of over Rs.400 lacs already. The units for power generation and manufacture of vanaspati are expected to commence production by March, 1990.

THE POTENTIAL

By March 1991, Agrotech will reach full capacity utilization. With an expected turnover of over Rs.100 crores. By producing products in great demand.

RICE

The mainstay of nation's diet. Very soon, Agrotech will feed 1.92 lac tonnes of its own premium quality rice into the domestic and international markets every year.

VANASPATI

By 1991-92, against the projected demand of 13.5 lac tonnes per annum in the North alone, the installed capacity (including the Agrotech plant's) will be only 7.7 lac tonnes. Conclusion: a ready market.

CATTLEFEED

30,000 tonnes per annum of high-nutrition cattlefeed that is far superior to the existing wheat-straw and rice-straw mixtures. And is in great demand.

AND POWER

1 MW of power for captive consumption to be generated from waste rice husk. Resulting in a regular supply of power at a lower cost.

Agrotech. Investing in paddy. And reaping benefits from rice. And vanaspati. And cattlefeed. And power.

Invest in the company with a vision beyond the ordinary.

Invest in Agrotech.

Issue Opens:
Indian Public : 7th Nov'89
Non-Resident Indians : 4th Nov'89

ISSUE HIGHLIGHTS

- ★ Production commenced ahead of schedule and turnover of over Rs.400 lacs already achieved.
- ★ Preferential allotments to UTI, SBI Mutual Fund and Canbank Mutual Fund in the public issue.
- ★ One of India's first integrated paddy-processing complexes.
- ★ Ready market for Co's products – rice, vanaspati and cattlefeed.
- ★ Export potential for Co's high quality rice and cattlefeed.
- ★ 80CC, 80M, 80L and Wealth Tax benefits.
- ★ Listing on the Ahmedabad, Bombay, Calcutta, Delhi and Ludhiana stock exchanges.

MANAGERS TO THE ISSUE

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New Delhi

Industrial Finance Corporation of India
New Delhi

The Industrial Credit and Investment Corporation of India Limited
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Arora Financial Consultants Pvt. Ltd.
Ludhiana

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GOVERNMENT

Voting machines under cloud

The Election Commission is reported to be having second thoughts about its plan to introduce electronic voting machines in the next Lok Sabha elections. This follows apprehensions in several quarters that these machines could be used for rigging and manipulating votes.

Also, many of the 150,000 machines ordered for the whole of the country, have not arrived. Lastly, the sudden announcement of the elections has disturbed the time schedule set for their introduction. Election officials, party activists, prospective candidates and the press were to be 'educated' about the new system. According to election officials, the machines costing Rs.5,000 each are easy to handle, while technical experts opine that opposition to the system is mainly because of ignorance.

Growth centres okayed

The Union government has approved 39 industrial growth centres in 14 states and one union territory, according to an official announcement. This is the first phase of a total of 61 growth centres for development of backward areas.

The 39 growth centres now approved are in Andhra Pradesh (4), Bihar (5), Goa (1) Gujarat (2), Himachal Pradesh (1), Karnataka (3), Kerala (2), Madhya Pradesh (5), Manipur (1), Nagaland (1), Orissa (3), Punjab (2), Tamil Nadu (3) and Uttar Pradesh (6), and the union territory of Pondicherry (1). The remaining 22 centres, expected to come up in the other states, are to be announced shortly. The growth centres scheme replaces the earlier 'no industries' scheme, which was withdrawn in September last year.

Coal reserves plan

The energy ministry has drawn up an ambitious plan to add 50 billion tonnes of additional coal reserves to the 'proved' category by the turn of the century.

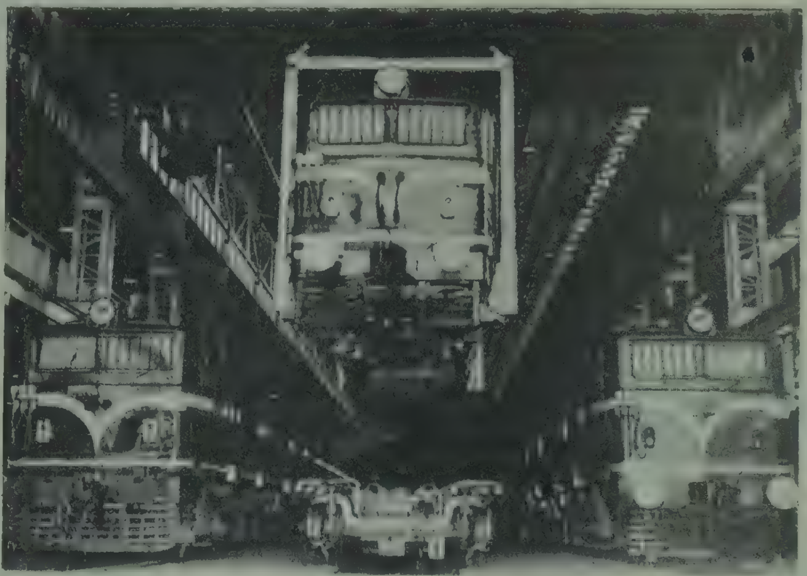
It has been estimated that this would require drilling of over 2 million metres in the Eighth Plan and of 1.97 million metres in the Ninth.

However, the bulk of the additional reserves will be of inferior quality coal. The inferior quality coal projected to be added to the 'proved' category is estimated at 12.59 billion tonnes in the Ninth Plan.

Railways denied forex

The finance ministry has rejected the railways' demand for the allocation of foreign exchange worth Rs.60 crore to finance its maintenance imports. The ministry has told the railways to seek either suppliers' credit or tie up its requirements with one of the multilateral financing agencies like the World Bank and the Asian Development Bank.

The railways need approximately Rs.350 crore annually to import spares and parts to maintain its assets. Facing a severe foreign exchange crunch, the government allocated only Rs.220 crore. Running short of funds, the railways had approached the finance ministry.



Ministries clash

Senior officials of the ministry of textiles and the revenue department of the finance ministry are at loggerheads over input-output norms for export of silk fabrics and polyester yarn in relation to import of raw materials for these items. The revenue department says the exporters should meet their export obligation both in value and in physical terms. At present the obligation is in value only. This, according to the revenue officials, is intended to prevent exporters from selling imported spun silk at a premium in the domestic market.

Textile ministry officials have suggested instead that the norms be modified to ensure that exporters do not get heavy premia on imported materials. A retrospective policy change, they argue, is open to legal challenge, as long as export obligations are fulfilled.

If the revenue officials have their way, exporters would be compelled to pay 55 per cent duty on surplus silk imported over the past three years.

Petrochem agency

The Union government has set up an agency under the chairmanship of the secretary, Department of Chemicals and Petrochemicals, for the promotion and development of the petrochemical industry. An autonomous body under the administrative control of the department of chemicals and petrochemicals, the Petrochemical Promotion and Development Agency (PPDA) will be looked after by a 14 member governing council and will be located in Delhi. The PPDA will set up three special groups to deal with polymers, chemicals and fibres.

The government will initially provide Rs.25 lakh as seed money for a period of three years. Another cell is to be set up under the agency to exclusively look into the need for futuristic application of petrochemicals in vital sectors like space, marine, defence and bio-medicine.

Bills rejected

The motion on the Panchayati Raj and the Nagarpalika Bills was defeated in the Rajya Sabha recently. The voting figure was 158 in favour and 83 against, with a total of 241 members present. Being constitutional amendment bills, they could not be approved without the support of at least two-thirds of the members.

This is the second time in the entire history of Parliament that a government sponsored motion has been defeated. The first time was in 1968, when the abolition of privy purses was rejected.

ECONOMY

RBI directive

The Reserve Bank of India has advised scheduled commercial banks and their subsidiaries to refrain from offering 'safety net' facilities for public issues and debentures. The step has been taken in a bid to control the mer-

chant banking activities of public sector banks. The RBI has also directed the banks to ensure that commitments made by them in respect of providing buy-back arrangements should not exceed 25 per cent of the owned funds of the banks. Further, buy-back arrangements should not entail commitments to buy securities at pre-determined prices, according to the directive.

Record export earnings

The export earnings from the small scale sector reached an all-time high of Rs.4,500 crore during 1987-88. The value of production of the small scale sector has gone up to Rs.87,300 crore from Rs.11,000 crore in 1975-76. The number of units during the year is estimated to be 15.76 lakh. As many as 107 lakh people are employed in the sector. The improvement in the sector is attributed to the fact that it has managed to upgrade its quality thanks to the technical development fund scheme.

GDP growth rate

The Seventh Five Year Plan (1985-90) is likely to end with an average growth rate of 5.4 to 5.5 per cent in gross domestic product (GDP) against the targeted rate of five per cent. The succession of poor monsoons came to an end in 1988-89 and agricultural growth has been looking up since. Food grain production during 1988-89 is expected to be about 172.18 million tonnes. Likewise, production of oilseeds has gone up by 43.7 per cent over the last year to 17.79 million tonnes. The growth rate in the industrial sector during the current year has also improved to 8.8 per cent against 7.3 per cent of last year.

Foreign banks sore

Foreign banks operating in India have taken exception to the State Bank of India's scheme to attract non-resident Indian deposits by treating them as company deposits. According to this scheme, after a foreign depositor settles in India, the interest from his deposits would qualify for a flat rate of tax of 20 per cent under section 115H of the Income Tax Act. Further, a recent government notification rules that other nationalised banks would also be treated as deemed public companies. The foreign banks have called the rulings discriminatory.

CCS reduced

The cash compensatory support (CCS) for exports of electronic items has been reduced to 12 per cent from 15 per cent. This has been done on the basis of the cost data supplied by the exporters. The reduction in applicable from 1 October 1989. In 1988-89, export earnings from the electronics sector amounted to Rs.650 crore.

Bank deposits up

The deposits and credit of all scheduled commercial banks stood at Rs.1,47,557 crore and Rs.96,588 crore respectively till June 1989. The growth rate over the year was 16.4 per cent in the case of deposits and 26.2 per cent for credit. The top 100 centres constituting 19 per cent of the total number of offices accounted for 59 per cent of the total deposits and 65 per cent of the total bank credit.

Excise relief

A new set of guidelines has been announced to govern the scheme for excise relief for weak industrial units. The scheme will provide interest free loans to such units through designated financial institutions. The amount of the loans will be restricted to 50 per cent of the excise duty actually paid for three years by these units. The excise loan will also not exceed 25 per cent of the overall cost of the rehabilitation, modernisation, and diversification package worked out by the weak unit.

The scheme will apply to any industrial company whose accumulated losses at the end of any financial year have resulted in erosion of 50 per cent or more of its maximum net worth during the preceding five years. The designated institutions through which the scheme will be implemented are IDBI, IFCI, ICICI and IRBI.

CORPORATE

Good show by NALCO

National Aluminium Co Ltd (NALCO) has closed the first half (April-September) of the current financial year with an impressive foreign exchange earning of over Rs.152 crore. This represents an increase of more than Rs.97 crore over the same period in 1988-89.

The company exported over 208,000 tonnes of alumina and 9,450 tonnes of high grade aluminium to various countries. It produced 62,152 tonnes of aluminium metal against 32,893 tonnes in the previous period. Production of bauxite touched a record 983,570 tonnes against 676,744 tonnes during the corresponding 6 months of last year. The company expects to achieve an export earning of over Rs.300 crore at the close of the current financial year.

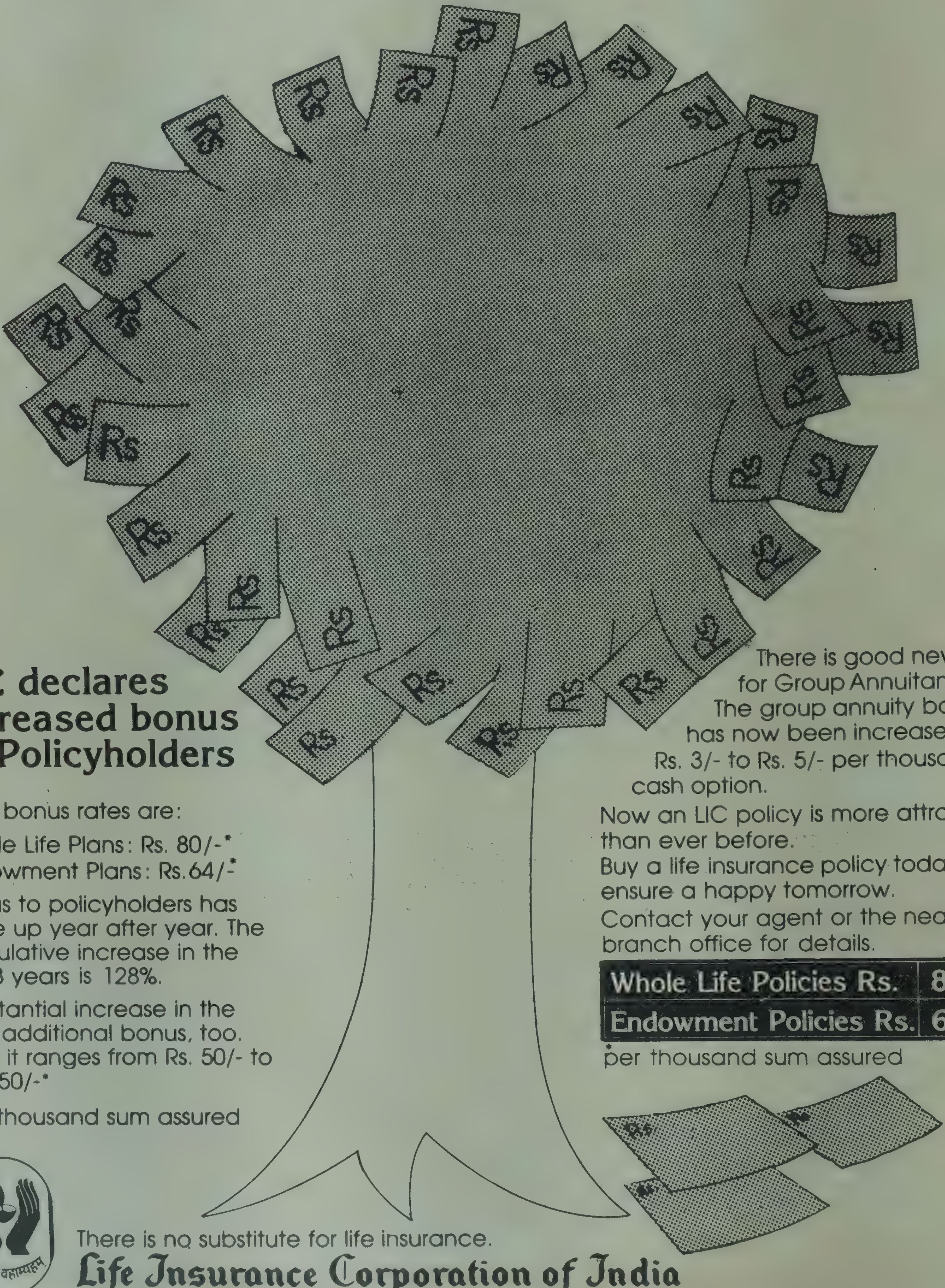
BHEL's record turnover

Bharat Heavy Electricals Limited (BHEL) has achieved a record turnover of Rs.2,620 crore and profit before tax of Rs.192.56 crore during 1988-89. The company declared a dividend of Rs.24.48 crore which is 10 per cent of its paid up capital. Capital investment of Rs.65 crore on various new schemes, modernisation and development projects during the year were funded wholly from internal resources of the company without any budgetary support from the government. The company contributed Rs.665 crore to the national exchequer by way of duties, taxes, interest and dividend.

The year's achievements include the commissioning, ahead of schedule, of one 500 Mw set each at Korba and Ramagundam. BHEL also commissioned 4100 Mw of thermal and hydro sets. Generation of 147,012 million units of electric power from BHEL sets exceeded the target of 145,164 million units set up by the Central Electricity Authority.

Kotharis, Mallya snubbed

The three proposals submitted by the D.C. Kothari group for the manufacture of beer have been turned down by the Centre. Involving a total investment of Rs.22.23 crore (each unit with an outlay of Rs.7.41 crore), the projects with a capacity of 65,000 hecto litres each, were to be set up in Maharashtra, Karnataka and Pondicherry. The proposals have been rejected in accordance with a February 1989 decision that beer manufacture would not be allowed un-



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There is no substitute for life insurance.

Life Insurance Corporation of India

Efficient/LIC/11-89

less the promoters also agreed to export.

The government has also rejected for the same reasons, a proposal of Vijay Mallya's UB group for starting a beer unit in Andhra Pradesh. The project cost involved was Rs.10.06 crore and the capacity proposed was 250,000 hecto litres.

Chowgule bags contract

Chowgule and Co Ltd will most probably get the Oil India Ltd (OIL) contract for charter hire of an onshore drilling to be used for exploring oil and gas in the Rajasthan desert. Chowgules, whose bid of Rs.11.85 crore was the lowest, are collaborating with Sondeos Petroliferos of Spain. OIL is understood to have given the Chowgules a LOI and the formal contract is expected to be signed next month.

The contract will be for 2 years in which time about 8 or 9 wells of an average depth of 3,000 metres are expected to be drilled. The first few wells will be drilled in Bikaner district.

New Enfield mobike

After a 30-month test marketing drive, Enfield India has launched its new motorcycle, the Fury Grand Prix 175. Meant for the 18 to 30 age group, the vehicle can attain a maximum speed of 110 kmph.

The new vehicle brings Enfield on the comeback trail. The company, which had come up before the BIFR in 1987, made a cash profit of Rs.2 crore after depreciation in 1988. This is expected to improve by 50 per cent this year. Enfield India expects to not only increase its market share but also raise its exports from the present 1,000 vehicles per month.

INDUSTRY

Resource gap likely

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) feels that the private corporate sector is likely to face a massive investment-savings gap of Rs.43,000 crore during the Eighth Plan period.

To narrow down the gap between the investment needs of the private sector and the resources available, ASSOCHAM has called for stepping up internal resources, namely depreciation and retained income of the corporate sector through suitable adjustments in tax rates, and provision of larger depreciation.

It is felt that industrial groups which have shown a growth of over 10 per cent in the Seventh Plan, will continue to grow. These sectors include electronics, telecom, petrochemicals, polyester yarn, machine tool and food processing.

More funds for shipping

Shipping and ship building industry is likely to receive greater investment during the Eighth Plan period.

To keep pace with the country's requirement, indigenous construction of small crafts for inland waterways, ports and harbours and cargo carrying merchant vessels for defence related activities will be encouraged. The government has called for optimum utilisation of resources and the available capacity to save foreign exchange outflow.

Industrial output sluggish

According to the index of industrial production released by the Central Statistical Organisation, industrial production has remained sluggish for the third month in the current fiscal year.

Estimates for June show a small growth of 0.3 per cent in general index which stood at 180.6 as against 180.1 in June 1988. For the first quarter, the general index shows a growth of 1.8 per cent as against 1.2 per cent in the corresponding period last year. The manufacturing sector remained buoyant throughout the first quarter with the index recording a growth of 14.2 per cent for 1987-88.

Cotton policy liberalised

The export policy of the last cotton season remains unchanged. This time too the government will allow limited quantities of Bengal deshi and long and extra-long staple varieties of cotton for export.

Meanwhile modernisation of the textile industry is being encouraged by allowing import of equipment at a concessional duty. The policy for replacing existing spindles by rotors and later by air-jets has also been liberalised. The government has asked the industry to take full advantage of the liberalisation.

Meanwhile, a committee headed by Abid Hussain, member, Planning Commission will submit a review of the present textile policy by the month end. And, meaningful changes are expected as a result of this.

Electronics output to increase

According to the department of electronics' (DOE) estimates, electronics production in the country is likely to go up from Rs.2,081 crore in 1984-85 to Rs.9,210 crore in 1989-90.

Consumer electronics' has grown at 38 per cent, industrial electronics at 29 per cent, communication and broadcasting equipment at 32 per cent, strategic electronics at 24 per cent, computer systems at 51 per cent and components at 38 per cent during the Seventh Plan period.

Half of the total investment of about Rs.2,000 crore in this sector was in components. While electronics exports were estimated at Rs.750 crore, the growth in this area was 37 per cent per annum in the Seventh Plan.

LABOUR

Excise threat

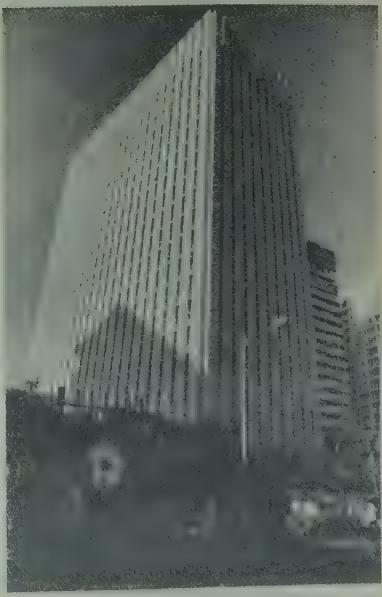
Employees of the Department of Central Excise have threatened to go on an indefinite strike to press their demand for a separate board for central excise, delinking the excise cadres from their Customs counterpart.

Earlier, the joint action committee of the Central Excise Employees Associations had gone on mass casual leave to attract the attention of the Central Board for Excise and Customs to the matter. Besides, they have also demanded the immediate scrapping of 'group A' recruitment rules and time-bound promotion for all cadres.

SBI token strike

Employees of the State Bank of India all over the country went on a day's token strike on 16 October to protest against the management's failure to implement its bipartite settlement signed with the employees union.

A statement issued by the SBI and Subsidiary Bank Employees' Union said that the one-day strike will be followed by an indefinite general strike from 26 October. The statement said



that about 165,000 bank employees throughout India would join the strike.

Petrol dealers' strike

About 3,000 petrol and diesel pump dealers in Uttar Pradesh and Haryana have decided to go on an indefinite hunger strike from 31 October to protest against the centre's "indifferent" attitude towards their demands.

It is the claim of the Petroleum Traders' Association that most petrol and diesel pumps in the country are running at a loss. Despite several pleas to the Centre to increase the commission of the petroleum dealers, their request has not been accepted.

Extra bonus

Nearly 130,000 textile workers in Bombay received an enhanced amount of bonus totalling around Rs.21.32 crore last week. This followed an agreement reached earlier between the Rashtriya Mill Mazdoor Sangh (RMMS) and Millowners' Association, Bombay.

Cargo workers protest

Cargo handling operations in Bombay port, including the unloading of imported rice, sugar and pulses, have been severely affected since 19 October, following the 'work to rule' agitation launched by the workers. Workers are protesting against the denial of bonus to those earning above Rs.2,500 per month.

Pay rise

Sugarcane cutting and transport workers in Maharashtra will receive a 35 per cent interim wage raise according to a recent announcement to this effect by state chief minister Sharad Pawar. This follows a settlement reached with the association of supervisors and sugarcane cutting and transport workers led by Babanrao Dhakane. These workers had been on strike earlier.

Bonus agreement

Some 40,000 workers belonging to 71 member mills of the Southern India Mills' Association will receive a total amount of Rs.8 crore as bonus and ex gratia payment for the year 1988-89.

A three-year settlement to this effect was arrived at by all the seven textile trade unions with representatives of the Southern India Mills' Association last week.

DIARY

DATE	SUBJECT	ORGANISER	VENUE
30 October-4 November	**Programme on strategic planning**	Administrative Staff College of India Bella Vista, Hyderabad-500049.	Bella Vista, Hyderabad
2 November-9 December	**Advanced management programme**	Administrative Staff College of India Bella Vista, Hyderabad-500049.	Bella Vista, Hyderabad
4-5 November	**Course on applied artificial intelligence**	Continuing Education Programme Cell, Indian Institute of Technology, Powai, Bombay-400076 Phone: 5141421.	Guest House I.I.T., Bombay
6-11 November	**Financial planning and control systems**	Institute for Financial Management and Research 30, Kothari Road, Nungambakkam, Madras-600034. Phone: 473801.	Institute's premises
6-18 November	**Managerial effectiveness**	Tata Management Training Centre Pune-411001 Phone: 665381.	Centre's premises
11 November	**Caring for customers**	Bombay Management Association, 9, Podar House, Netaji Subhas Marg, Bombay-400020. Phone: 2047650.	Centaur Hotel, Bombay
2-9 November	**International Trade Fair for plastics and rubber**		Dusseldorf, West Germany
9-11 November	**Workshop on manufacturing excellence**	Creative Communication and Management Centre 8, Ambalal Doshi Marg, 2nd floor, Bombay-400023. Phone: 273006.	Searock Sheraton, Bombay
11 November	**Modvat, concept and its complication**	Creative Communication and Management Centre 8, Ambalal Doshi Marg, 2nd floor, Bombay-400023. Phone: 273006.	Hotel Executive Ashok, Pune
11-12 November	**Privatization of public enterprises**	Department of Management Studies, University of Jammu, Jammu-180001.	University of Jammu campus.

Somewhere in the Himalayan Valley, 40,000 feet above sea level, an IAF aircraft is on an important reconnaissance mission.

Providing the vital communication link between mission controls is Tata Telecom.

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Digital EPABXs manufactured with technical assistance from Oki of Japan, the world leaders in the fields of telecommunication and information processing.

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Tata Telecom. A commitment to serve the India of tomorrow.

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ASEA BROWN BOVE

BUSINESSMEN IN THE NEWS

D.N. RAI

Having put in 35 years in senior positions with reputed business houses like the Birlas, Singhanias and Bangurs, technocrat D.N. Rai is now venturing out on his own. Aryan Finefab Ltd, which he has set up in Gujarat's Mehsana district, is a 100 per cent export-oriented unit for the manufacture of grey cotton fabrics.

"The devaluation of the rupee has made Indian textiles cheaper in the European and American markets," says Rai. The fully automatic plant, with 60 modern Swiss machines, is expected to yield sales of over Rs.8 crore in the first year of operations. The project is being part financed by a Rs.1.8 crore public equity issue in November.

V.S. CHHABRA

Five years after suspending ship-repairing activities, V.S. Chhabra, chairman of Bombay Marine Engineering Works Pvt Ltd (BMEW) is readying to re-enter the industry by beefing up existing facilities at the company's works in Bombay. Chhabra, who quit a career in the merchant navy to set up BMEW in 1967, is also setting up a shipbuilding yard at Surat, encouraged by the increasing demand for small ships to cater to both inland and coastal traffic.

"Ships with a size of 2,000 to 3,000 dwt, designed for shallow draft, are ideal for the requirements of the emerging sponge iron plants of Essar Gujarat and Grasim Industries," he says. "Such ships also help larger ships discharge their cargoes in stream when ports are congested, besides offering a cheaper alternative to road and rail transportation."

Chhabra, who is investing Rs.6 to 7 crore in the facilities at both Surat and Bombay, expects to be able to repair upto 100 ships a year, and undertake even complex ship repair jobs such as steel renewals and repairs to engines and electronic equipment.

BMEW, which is seeking finance from financial institutions to set up the project, expects the facilities to be commissioned in four months' time.

LALIT KANODIA

Recently, when the Bombay-based Datamatics Consultants Ltd became the first Indian software house to secure a dedicated satellite link for exports, Lalit Kanodia, its chairman, was more than happy. The satellite link will now allow software professionals at the company's unit at the Santacruz Electronic Export Processing Zone to directly access computers at AT&T-Bell Laboratories in the US for exports.

"Telecommunication is a raw material for the software industry," says Kanodia. "We should have thousands of such links from the country if we want to touch the target of Rs.1,500 crore in software exports by 1995." Kanodia expects his company to double its exports from the current level of Rs.5 crore, over the coming two years.

HARISH K. MURTHI

With the demand for ATMs on the rise, HMA Data Systems Pvt Ltd has decided to start manufacturing them in India. But H.K. Murthi, the company's managing director, who has recently signed an MoU with Diebold Inc of the US, for knowhow, feels that the stiff import duty of 145 per cent could depress demand.

"Diebold Inc is among the largest manufacturers of ATMs with a market share of 46 per cent in the US," says Murthi, whose company has been importing Diebold's machinery for Indian users till now. Murthi is setting up a joint venture to implement his project, which is coming up at Bangalore. Diebold will hold 40 per cent of the equity in the new company, which is expected to commence production next year.

GOPAL SRINIVASAN

Sundaram Clayton Ltd is the latest to bid for a share of the country's rapidly growing washing machines market. Gopal Srinivasan, director of the company, hopes to sell about 25,000 machines in the first year of operations. Sundaram Clayton, which is implementing the Rs.20-crore project at Pondicherry, has promoted a new company for the purpose, with technical collaboration from Whirlpool Inc of the US.

Srinivasan says that TVS-Whirlpool's plant, with a licence to manufacture 40,000 machines annually, is expected to go on stream by April next year. The company will float a public equity issue of Rs.6.4 crore later this year to part-finance the project.

R.C. BHARGAVA

Maruti Udyog Ltd's latest 1000 cc model will not be anywhere close to the "people's car" it was originally conceived as, if one were to go by market speculation over the likely price tag. But R.C Bhargava, the soft-spoken managing director of the company expects no dearth of demand for the new car.

The car, for which bookings begin next month, is scheduled to be on the roads by October next year. And Bhargava does not want to accept any more than 25,000 bookings initially. "Pricing will take into account the premium which the car might attract in the open market," says Bhargava. "We don't want the new car to become an area of speculation."

BASIL SELLERS

The automatic plain paper copier (APPC) market in India has only one real player today, with other manufacturers only playing peripheral roles. "But we'll soon change that!" says a confident Basil Sellers, chairman and chief executive of Gestetner Holdings plc. Sellers was back in the country of his birth last fortnight (his father was a railway engineer at Valsad in Gujarat) to take stock of Gestetner's Indian operation. "India looked a mess" when his Australian company, Active Financial Partners, took over Gestetner in the UK.

Today, though Gestetner (India) Ltd is well on the way to re-establishing itself as the market leader in stencil duplicators, Sellers expects it to follow the worldwide Gestetner pattern sooner or later—where duplicators constitute only 15 per cent of the sales and APPCs account for 50 per cent.

K.R.S. MURTHY

India can make it good in the international markets only if it is able to offer "total solutions to customers," according to K.R.S. Murthy, a consultant to the US-based AT&T-Bell Labs, who returned to India last fortnight after a gap of seven years. Murthy, who worked with the Indian Space Research Organisation before he went to the US, was in Bombay as a member of a delegation from the Institute of Electronics and Electrical Engineers.

"What we need is a triangular alliance between the government, the academic institutions and industry," says Murthy. "If we have consortiums, we can easily make much more headway in the international markets with our products," he adds.

RICHARD GRIFFITH

Liberalisation of economic policies and the emergence of an educated middle class, among other things, will eventually lead to "multiplied banking opportunities", according to Richard T. Griffith, executive vice-president at Bank of America's world banking group (WBG).

Griffith was in Bombay last fortnight to explore business possibilities and oversee the setting up of Bank of America's global banking system (GBS) in India. GBS is the bank's standard computer system interlinking its branch networks in 38 countries and offers clients real time fund transfer and other treasury services.

ALAN PILKINGTON

Mudra Communication's recent tie-up with the leading international advertising agency, DDB Needham Worldwide, as its exclusive associate in India, is expected to sharpen the creative skills of the Indian agency through an exchange of visits and training assignments.

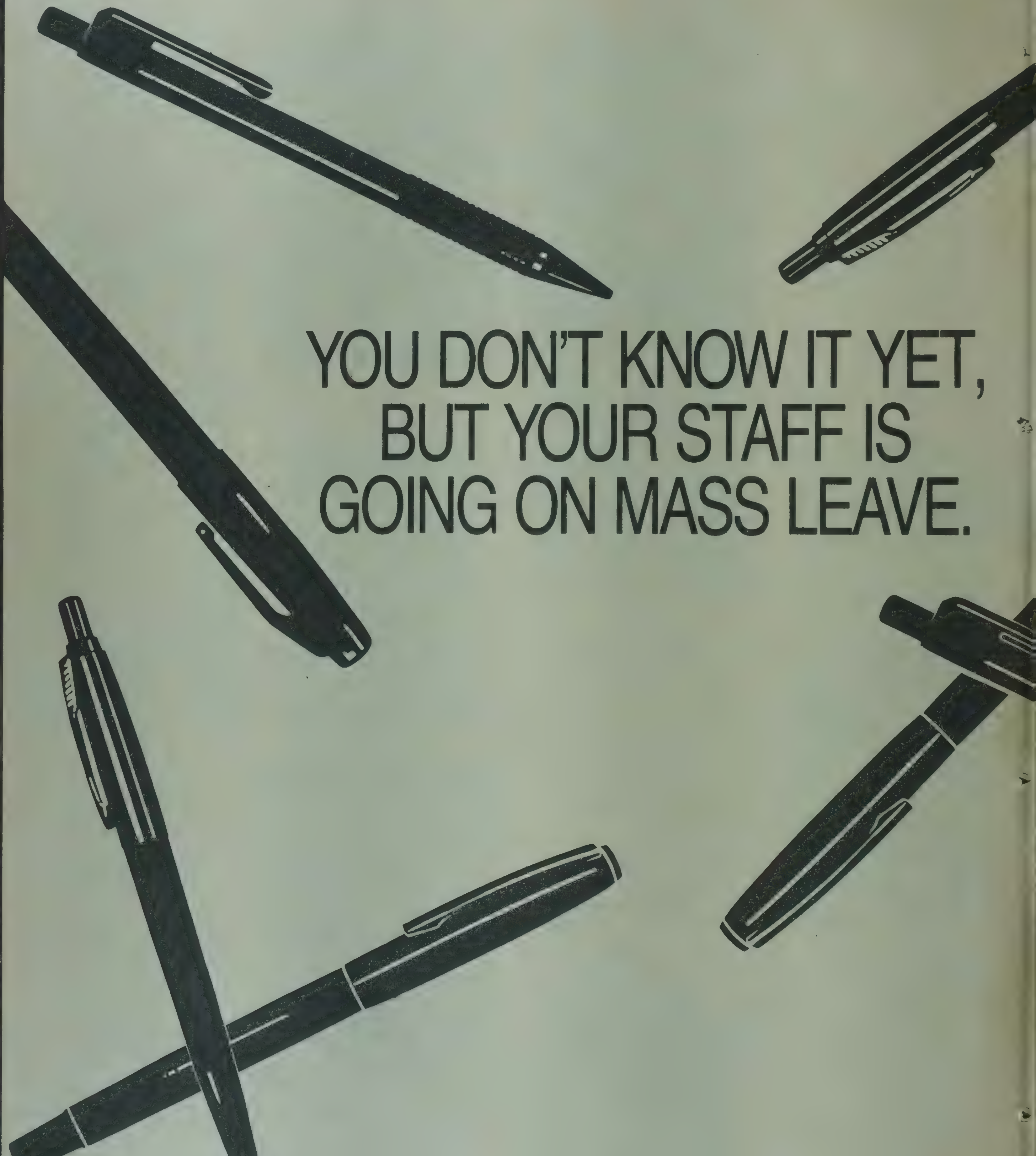
"Both our agencies are characterised by a common outlook and creative orientation," says Alan Pilkington, president, Asia Pacific, of DDB Needham, New York. He was in Madras recently to attend a senior executive meet Mudra Advertising. DDB Needham is a leading international agency, with 46 offices in over 24 countries. The agency has created some memorable advertising for Avis and Volkswagen.

PETER GAMMON

"I have never been interested only in money," said Peter Gammon, the newly appointed chairman of Gammon India Ltd. Peter is the eldest son of J.C. Gammon who founded the company and after the death of James Bates, who headed the company for years, he was the logical choice. But what is puzzling is Gammon's interest in the company where, though he may have to invest fairly substantial amounts, his returns would be minimal.

Peter Gammon is negotiating with Andrew Gammon, his stepbrother, for the purchase of the latter's shares. Andrew had earlier sold his shares to M.R. Chhabria but the Reserve Bank refused to accept the purchase. Peter is now willing to offer Andrew the same price that Chhabria paid, which would be over a million pounds.

Peter Gammon is aware that he might not earn the returns on such an investment as he would if he invested elsewhere. But what he would like to see is that Gammon India be allowed to maintain the managerial continuity it presently enjoys.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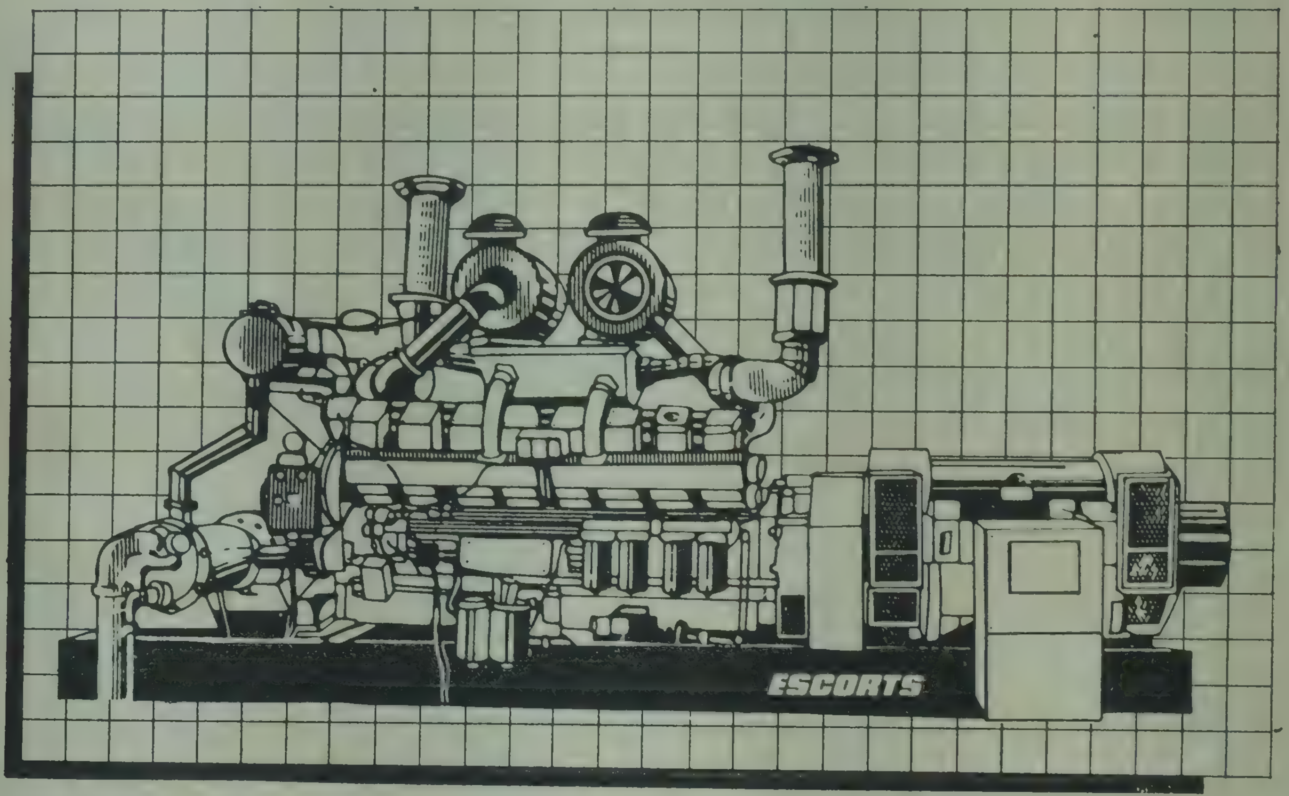

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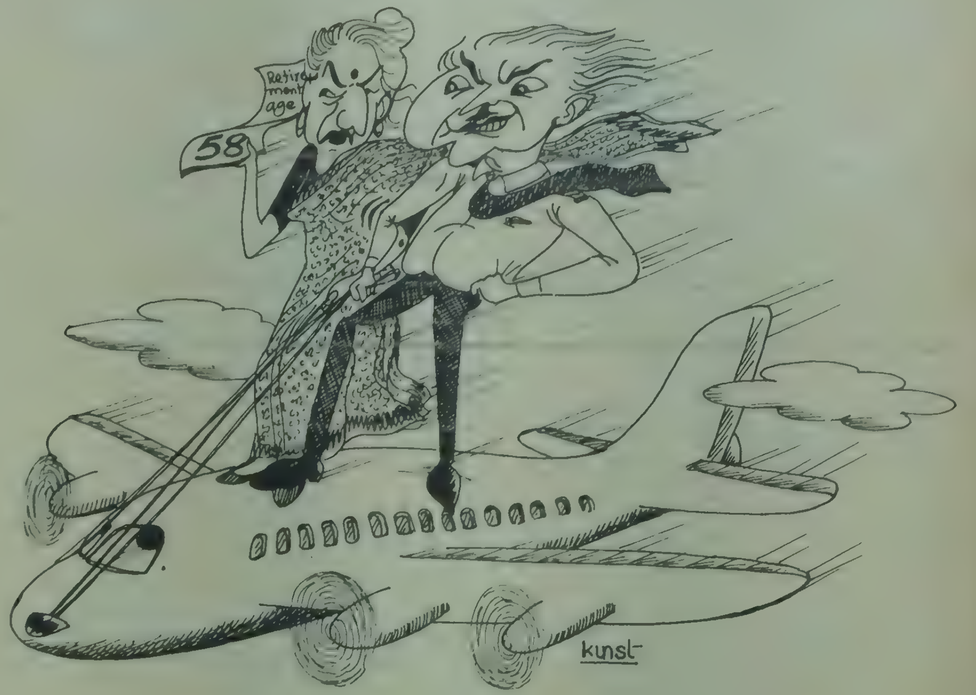
AIR-INDIA

Disgruntled hostesses

The recent announcement by the government, equalising the retirement age of Air-India hostesses with their male counterparts, at 58 years, has come after a decade-old fight by the former in the law courts.

Even after this announcement, however a major bone of contention within the 2,000-strong inflight service department of Air-India — where 55 per cent are hostesses and 45 per cent pursers — remains. "The promotional avenues open to us are far fewer than those open to the boys," comments a senior hostess and active member of the Air-India Hostesses' Association, who desired anonymity till she had read the notification equalising the retirement age.



Says Indira Jaising, the feminist lawyer who has been pursuing the case since the the 1981 victory (Nargis Mirza Vs. Air-India whereby the retirement age for air hostesses was raised from 35 to 45 years, "Though we are, of course, very happy at this victory, the problem has only just begun."

Is Air-India serious? The real question here is whether Air-India, which formulates its rules with the consent of the Centre, really wants to set about eliminating discrimination. It was only in 1979, after hostess Vera Mahajan filed the first writ demanding the right to work after marriage that this basic right was granted. Then came the Supreme Court judgement in 1981, in Nargis Mirza Vs. Air-India, which granted the right to continue working after motherhood and raised the retirement to 45 years.

The same year, another hostess, Leena Khan took the airline to court, charging them with discrimination in allowing their Australian, British and Japanese colleagues to continue working till later, simply because of the existence of non-discrimination laws in their countries. Instead of resolving the matter, Air-India simply stopped all hostesses from working after they attained the age of 45 years. Air-India now faces litigation by one hostess in Japan challenging its action as discriminatory.

And when Mirza, in 1987, once again pressed for equality in promotions, on the simple ground that the nature of work handled by hostesses and pursers was the same, a woman judge of the Bombay high court, Sujata Manohar ironically held otherwise.

It was after this failure that the hostesses pursued the last option, ie, petitioned Parliament in March this year, following which a memorandum signed by both the ruling party and opposition members was submitted to prime minister Rajiv Gandhi.

Now, with the retirement age equalised, the airline will have to be non-discriminatory in its promotions too. "They can't have us carrying trays till 58," comments another senior stewardess wryly. Jobs in this department remain stagnant for women while the men can rise up to the level of deputy director of the section. (Just a few days prior to the Centre's announcement, a promotion chart of the inflight service department showed 47 men as having been promoted against only six women.)

Male resentment. The issue is further complicated by the acute resentment of the male staff who have been resisting the struggle of the women. "It is the Cabin Crew Association within Air-India which is dominated by male members that runs this department on an informal basis, handling both promotional and other aspects for management. This is why we don't want to be quoted until we have actually seen the order," explains another senior stewardess. "As it is, the boys intensely dislike what we are fighting for." Repeated attempts by *Business India* to get a reaction from the Cabin Crew Association failed. Its members too felt that since they had not seen a copy of the latest notification, they were not in a position to comment on the issue.

Merely equalising the retirement age is not going to be enough. "Air-India will now have to formulate a full-fledged integration scheme for the two cadres that are presently treated differently," comments Jaisingh, adding, "there are going to be some minor problems, since promotional avenues blatantly favour the men while, at some levels, hostesses are paid slightly more."

■ TEESTA SETALVAD

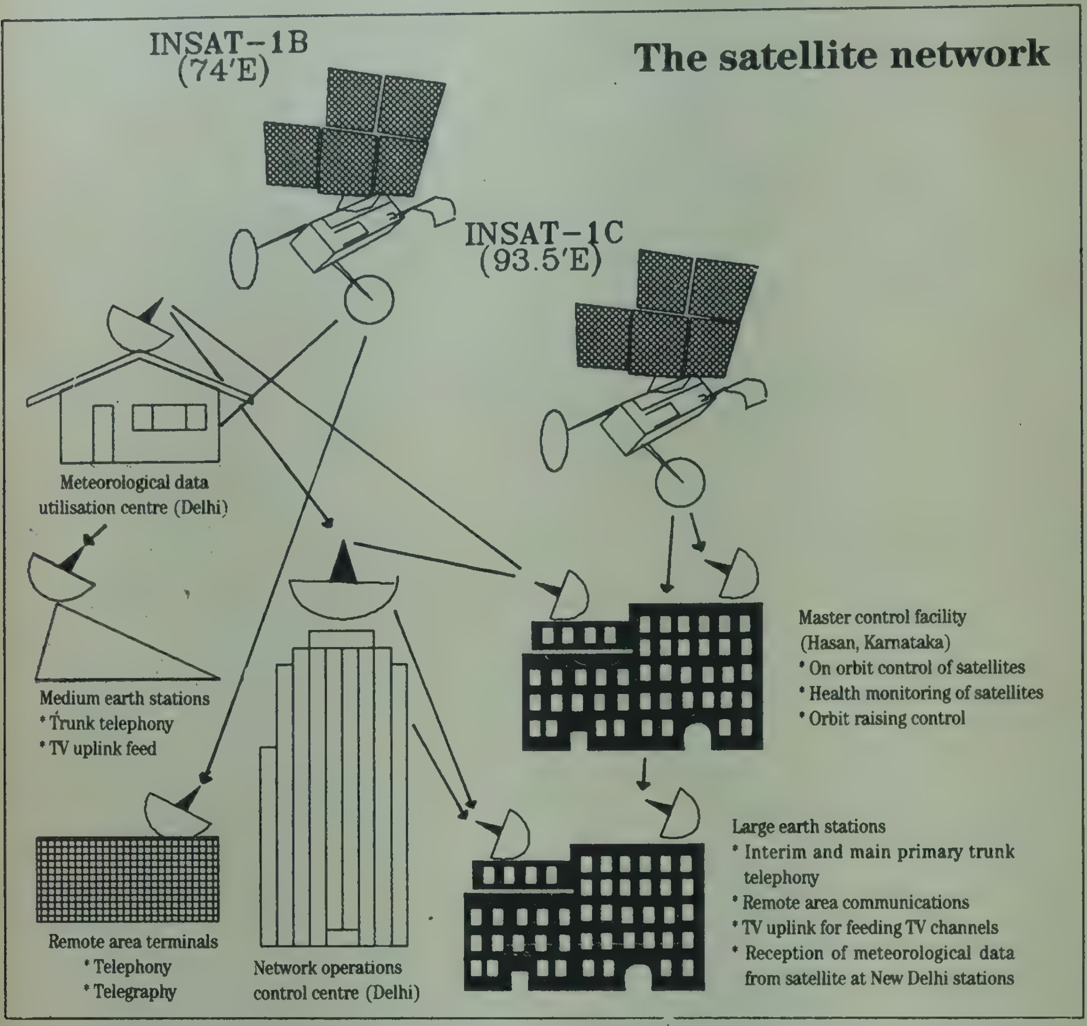
INSAT-1 SATELLITES

Off track

On 17 October, subscribers in many of the metros had problems getting through to other cities via subscriber trunk dialling (STD). The problems continued for a couple of days more and then appeared to abate.

The cause of the difficulty was mentioned and then dismissed in many of the major newspapers. But then, the problem had been anticipated. Insat-1B, which has been the backbone of India's communication effort in space for the last six years, had drifted out of its conventional orbit and was lost track of by the Indian Space Research Organisation's (ISRO) master control facility at Hasan in Karnataka. Though the satellite has now been brought back in earth's lock, its days are numbered.

Jinxed. India's foray into a satellite based communication system seems to be jinxed. Of four Insat-1 satellites, three have run into some problem or the other which has prevented their efficient functioning. Insat-1A, which was launched in April



The satellite network

INSAT–1B
(74'E)
INSAT–1C
(93.5'E)
Meteorological data utilisation centre (Delhi)
Medium earth stations
* Trunk telephony
* TV uplink feed
Remote area terminals
* Telephony
* Telegraphy
Network operations control centre (Delhi)
Master control facility (Hasan, Karnataka)
* On orbit control of satellites
* Health monitoring of satellites
* Orbit raising control
Large earth stations
* Interim and main primary trunk telephony
* Remote area communications
* TV uplink for feeding TV channels
* Reception of meteorological data from satellite at New Delhi stations

1982, faced problems and died prematurely in September that year. Insat-1B took over in October 1983.

Insat 1C was supposed to be launched in September 1986 but could not because of the Challenger (US) space shuttle disaster. When it was finally launched, only 50 per cent of its capacity could be used. Insat-1D, was supposed to act as a replacement for 1B, but was damaged while being 'mated' with its Delta launch vehicle in June this year, putting off the launch by at least a year.

Says S. Vasanth, project director of the Insat-1 programme, ISRO, Bangalore, "Our estimate was that Insat-1B would live up to September 1989, give or take six months. Today, while the satellite is working well, it has fuel problems. It has only 5 or 6 kg of fuel and we don't know what will happen in the future."

As a result of the uncertainty, it has not been possible to route communication traffic through Insat-1B, and alternative routes are being used. Insat-1B supported more than 4,000 two-way telephone circuits through 76 earth stations. It helped the meteorological departments in weather forecasting and contributed to the rapid expansion of the TV network.

According to V.V. Chaudhuri, general manager, maintenance, western telecommunication region, department of telecommunications, most television traffic has been routed through Insat-1C. This satellite has been functioning at only 50 per cent of its total capacity because of problems encountered in its launch last year. As a result, most telecommunication traffic is being routed through microwave and coaxial channels and through transponders leased from Arabsat.

High cost. ISRO was forced to lease channels on Arabsat, when the launch of Insat-1D was delayed in June this year. ISRO has leased 12 transponders from Arabsat, at a cost of $ 800,000 per transponder for a period of two years. The lease commenced from 1 October 1989.

According to Vasanth, none of the services — meteorological, telecommunication, etc. — that are utilising Insat-1B will be hit. He explains that Insat-1C has another seven or eight years of life. "Under no circumstances will we be able to discontinue the use of Arabsat before the launch of Insat-1D. At that time we will have to reassess the situation."

Though ISRO feels confident that there will be no deterioration of services, this has yet to be seen. Much will depend on whether it will be possible to launch Insat-1D in the near future.

India's satellite based communication will stabilise only if its Insat-2 series is successful. Work is almost complete on two test satellites which will be launched in 1990 and 1991. The new satellites are considerably larger and, if they are not blighted by the misfortune that dogged the Insat-1 series, there should be a notable expansion in telecommunication capacity.

■ EAPEN THOMAS

PALLAVAN TRANSPORT CORPORATION

Fare revision unrealistic

The recent revision in bus fares by the state government will have little impact on the profitability of the Pallavan Transport Corporation (PTC), the state government undertaking, which caters to the needs of Madras city.

October saw the state government increase fares. While retaining a base rate of 50p for 2 km, the fare was increased by approximately 25p after every subsequent 5 km. But this structure had to be abandoned within a week due to commuter resistance and a new revised fare structure introduced. The result is that the PTC will now mop up a little over Rs.5 crore instead of Rs.9 crore in a full year.

PTC sources feel that "the impact of the sealing down will show up in the bottom line. PTC will make a loss of Rs.5 crore during 1989-90". Their complaint is that the present fare structure leaves out 36 per cent of the commuters in the short distance sector of 50p and 60p from the ambit of the increase. "And this is the sector which is the most subsidised," they maintain.

Policy of appeasement. Besides, the short distance traveller is blamed for causing congestion and a lowering of fuel efficiency by causing vehicles to stop at short intervals. But the government, it seems, prefers to placate this vocal section of the travelling public, rather than encourage the long distance travellers from the suburbs. The result is that the PTC continues to lose Rs.1.20 paise per km.

During 1988-89, PTC was in the red to the extent of Rs.5.8 crore while its accumulated losses since 1972 totalled Rs.24 crore. "This despite the fact that it is one of the better run corporations," comments a former transport official. Unless this shortfall is made up, and a "reasonable

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Pallavan transport: quantum of losses increasing

fare is allowed, a metropolitan operation of this size cannot break even, especially since the yield in the form of bus fares will not cover the cost of operations," observes M. Koteeswaran, managing director, PTC. Unremunerative pricing is also the prime reason for the fact that 12 out of the 15 state transport undertakings in Tamil Nadu have been incurring a total loss of Rs.12.5 crore per annum.

In the absence of the requisite revenue, the PTC plans to improve performance parameters including vehicle utilisation, fuel efficiency, fleet utilisation and occupancy ratio. With this in view redeployment of the PTC fleet to service the crowded corridors — eight such corridors have been indentified — is being examined. Take Anna Salai, the main thoroughfare, as an example, the most congested section on this road is between Saidapet and Teynampet, but the PTC operates only 195 buses and makes 1,123 trips, while in the less crowded northern entrance of Anna Salai, 461 buses ply with 3,156 trips. "The attempt will be to streamline operations and correct such imbalances," according to PTC officials, who feel that commuters should be prepared for a distance of 1 km between bus stops. This despite the fact that PTC's recent attempts in this direction by introducing "hopping services" have drawn much criticism from the travelling public.

Vicious circle. Such attempts at housekeeping may increase productivity, but this alone cannot ensure viability, and will lead to a vicious circle, especially when the corporation is faced with the task of modernising and expanding its fleet.

Fortunately for the PTC, the World Bank has agreed to fund bus replacement and improvement of the infrastructure with a loan of Rs.58 crore. The PTC, therefore, plans to increase its fleet by 100 buses this year, and buy an additional 50 buses every year, for the next four years. But such assistance will not be forthcoming forever, especially if the corporation loses every year.

PTC sources are emphatic that only a realistic pricing of its services, commensurate with productivity norms will help in the long run. Therefore the feeling in the corporation is that "it will have to wait for better times".

■ DHARANI K PANI

SEMINAR ON DREDGING

"Bringing out the magic"

Dredging is an activity which creates and sustains, enabling the conversion of a small sleepy cove or inlet from the sea into a hub of international trading activity. "And there is indeed magic in this!" says Abraham Kuruvilla, chairman-cum-managing director of the Dredging Corporation of India (DCI), justifying the "magic in dredging" theme of the May 1989 conference of the World Organisation of Dredging Associations. Kuruvilla was delivering the keynote address at the inauguration of a five-day country level workshop on inland dredging in New Delhi last fortnight.

Officials of the water resources, surface transport and food and agriculture ministries, state governments, public sector units and various other government organisations attended the workshop from 16 to 20 October. Organised by the Economic and Social Commission for Asia and the Pacific (ESCAP), DCI and the surface transport ministry, the UNDP-funded workshop was inaugurated by Rajesh Pilot, minister of state for surface transport.

Series of programmes. David L. Turner, chief of ESCAP's transport and communications division, explained in a message to the participants that this was one of a series of ESCAP programmes to improve and upgrade the transport infrastructure in India and other developing countries, being conducted in connection with the Transport and Communications Decade for Asia and the Pacific, 1985-1994. For India alone, ESCAP has already organised a seminar on shippers' opportunities in the 1990s, a workshop on multimodal transport and a policy-level seminar for chief executives of Indian ports; while on the immediate calendar for November and December are a port planning workshop, a seminar-cum-study tour on railway research in India and a training course on rural roads and semi-arid areas.

Inland dredging, as opposed to marine dredging, is necessary for inland water transport, fresh water supply, flood control, power generation and land reclamation. A major development in the field of equipment is the availability of the extremely versatile portable cutter suction dredgers. This has taken inland dredging beyond the realm of manual disilting by divers from country craft or after draining out the water from ponds and wells.

Techniques are also available for dredging at depths of 50 to 100 metres, and to transport the silt several kilometres away. But all this makes dredging a very capital-intensive industry, and it is essential to ensure round-the-clock and round-the-year use of the equipment to make any operation viable.

In India, inland dredging is needed to develop and maintain inland waterways, irrigation canals, drinking water reservoirs and tanks, hydel power dams and intake channels for power, steel and other industries. It can also play a major role in flood prevention and control, by keeping the rivers clear of constraints and obstructions in critical areas and at river mouths.

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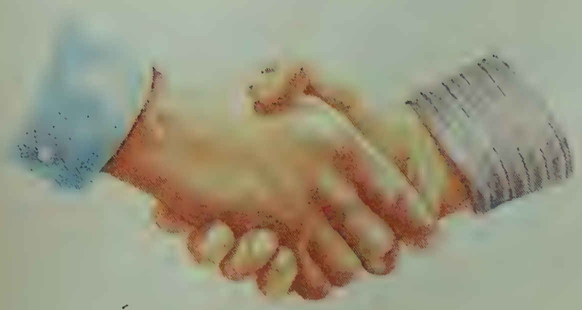
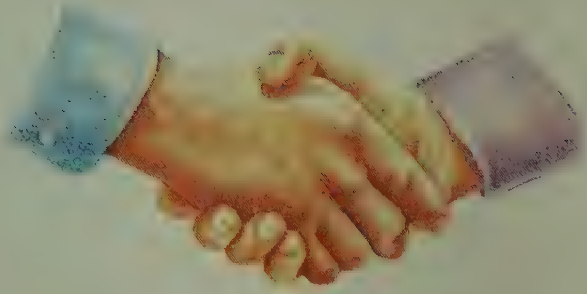
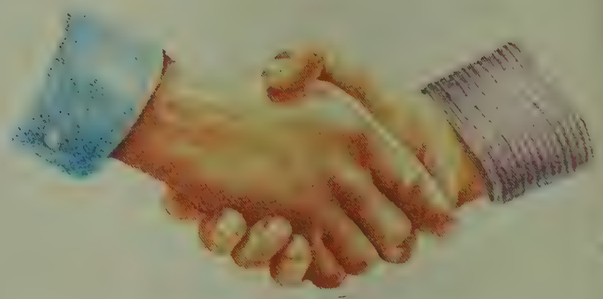


Yamatake Honeywell, Japan – Instrumentation.

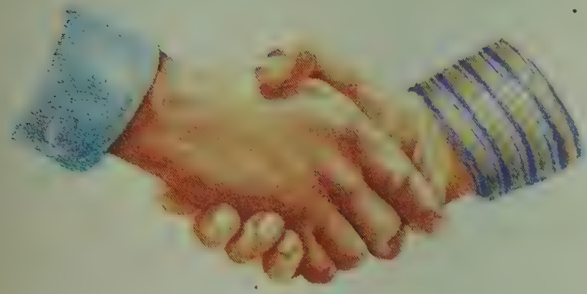


Honeywell, USA – Instrumentation.

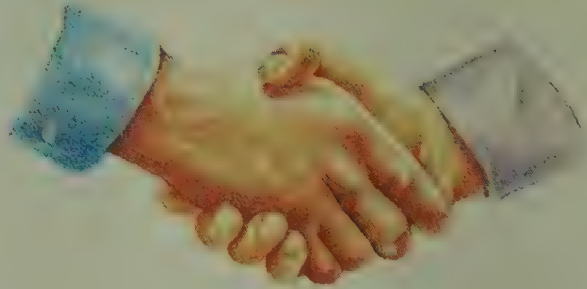
Nakajima All, Japan – ACN Electronic Typewriters.



Valentine, France – Ranutrol Hansa Showers.



Centre for Development of Telematics, India – ACX EPABX Systems.



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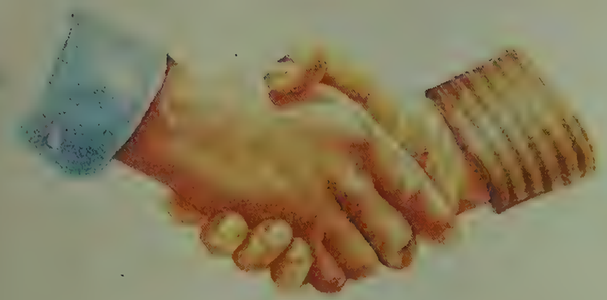

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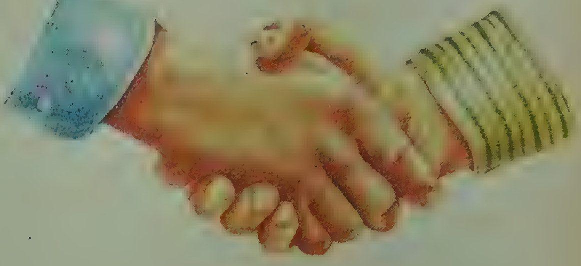

Emerson Electric Gmbh, West Germany – Heating Controls.

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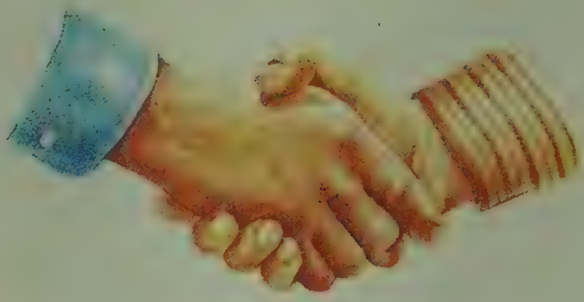
Ranutrol Hansa Aqua Mixers.



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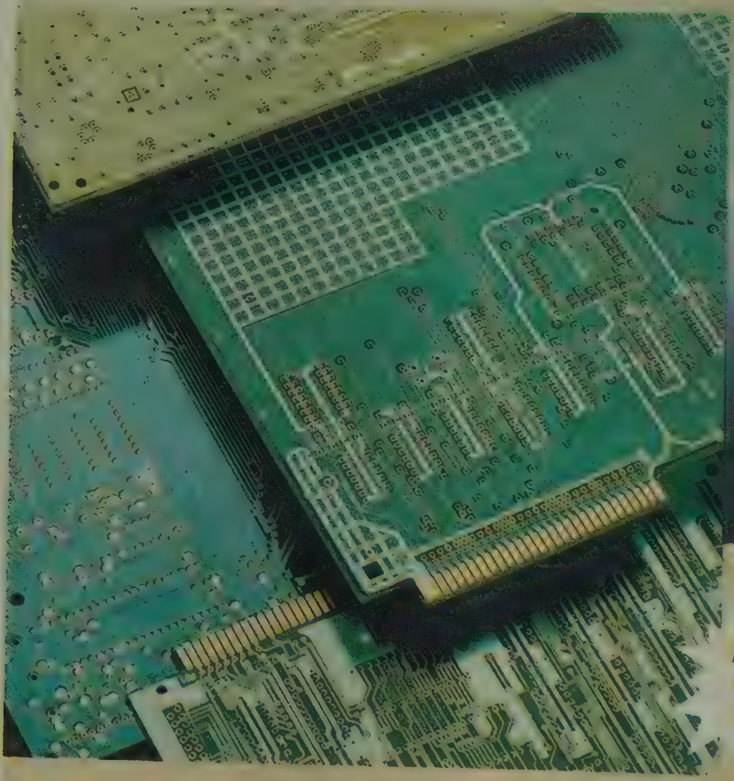

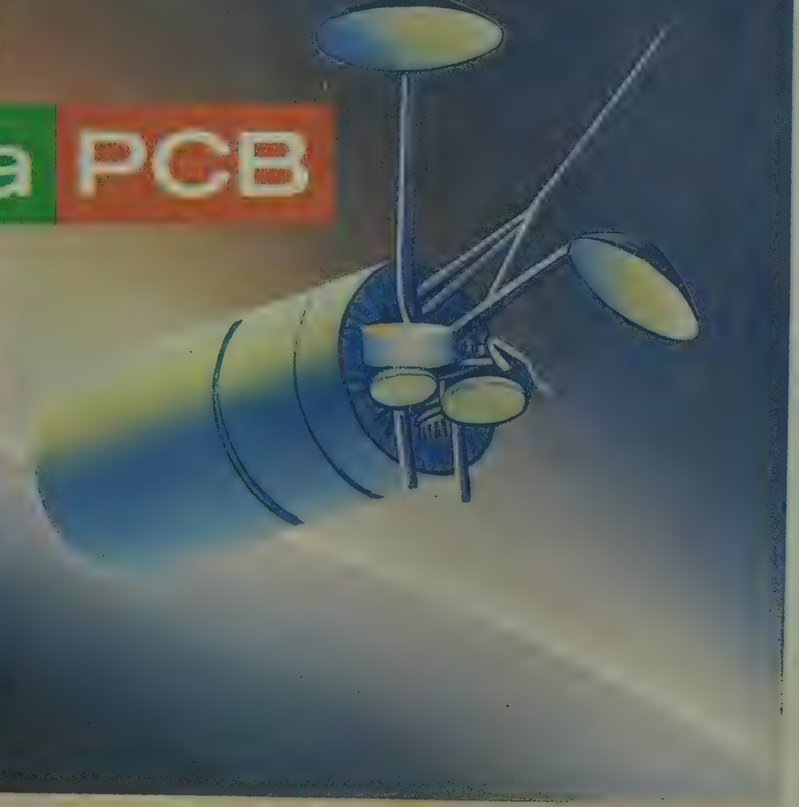

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so that flood-water can flow freely into the sea. Disposal of the silt removed is a problem, even though it can be used as a fertiliser, for reclamation of low-lying areas or for making bricks.

The workshop discussed broad strategies for organising inland dredging activites during the Eighth Plan period. It also called for an appreciation of the important role of inland dredging in the country's total water resources management. One suggestion thrown up was that the Technology Mission approach, which has proved successful in a number of areas, should be tried out in improving the storage capacity of a large number of drinking water and irrigation reservoirs.

■ SEKHAR SESHAN

COMMUNICATION CENTRES

A growing success

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Communication centre: becoming fast popular

When in August last year, Mahanagar Telephone Nigam Ltd (MTNL) decided to set up communication centres in all commercial areas of Bombay, expectations ran high.

For once, small-time entrepreneurs, who function without proper offices, had the much needed communication facilities at their disposal. The first centre, which opened in the Colaba area of the city, had all the requisites — international dialling, domestic STD, telex and even facsimile facilities. Membership was encouraged and people were allowed to use the centre's telex and fax numbers for their business purposes.

The response, undoubtedly, was encouraging. And today, after a year, the centre is earning almost Rs.12,000 a day in revenues, and has 700 permanent members who pay a small amount of Rs.100 as membership charges per quarter.

Greater plans. But MTNL had greater plans. It wanted to extend these facilities, or so says M.C. Venkatram, the former chief general manager of MTNL, Bombay region. Accordingly, late last year, after watching the Colaba centre pick up business, Venkatram allowed private companies to stake their claim too.

The arrangement was akin to providing public call booths. The private companies were provided with telephone and telex lines. They were also allowed to install fax machines for a licence fee of Rs. 15,000. Besides, MTNL allowed the centres to keep 20 per cent of the per unit cost of STD calls.

The first communication centre — Contact Point, at the busy Nariman Point area, started taking in members for an annual fee of Rs.1,000. Says Nanik Rupani, the owner of Contact Point, "The idea caught on fast and we had several inquiries." Today, the centre has 75 regular members who use the facilities to send and receive messages. The second to open, Faxman at Marine Lines, today has 120 members according to Vijay Bhatia, the owner. The takings of both these centres are in the range of Rs.8,000 to 10,000 a day.

Facilities popular. All the centres, including the ones at Colaba and the Santa Cruz Electronic Export Processing Zone (SEEPZ) being run by MTNL, offer services for incoming messages too. The customer is contacted by telephone and he can collect his messages whenever he wishes to. That the facilities have been popular can be seen from the fact that the Telecom Commission, which controls both the MTNL and the Department of Telecommunications (DoT), has been insisting on setting up more such centres wherever there might be a need.

However, popularity apart, certain problems have arisen of late. Last month, DoT decided to reduce the commission given to the private operators of such centres, and it was brought down drastically to 5 per cent from the existing 20. The private operators feel that the new regulation does not make business worthwhile. Says Bhatia, "The venture has ceased to be profitable any more." Apparently, DoT was worried about the increasing commission bills and decided to cut down on them.

Another irksome issue is that of fax line rejections, which cuts into the operator's profits. Says Bhatia, "When the fax takes time to accept or reject a message, we have to pay the regular tariff." He is seriously considering charging the customers for the time taken for the message to go through, as against charging per page as is the practice now.

Private communication centre owners have another grouse against MTNL. With more and more centres being authorised, the initial promise that only one such centre would be allowed in one commercial district has been forgotten. The owners are sore because they no longer enjoy a monopoly in their designated areas and their customers are being divided. Revenues, in fact are stagnating, says a newcomer to the field. "With competition growing, some are offering services at lower cost. We are the losers," complains Rupani. While he charges Rs.1,000 as a yearly membership fee, one of the later entrants, Paramount, charges only Rs.500.

All in all, these centres are immensely popular. And MTNL has plans to authorise an increasing number of private parties to run such centres, specially for the common man who cannot afford the expensive business centres run by hotels or such organisations like the Diners Club. But there is a question mark hanging over the survival of the centres which have been authorised during the past year or so. The man in the street, however, will surely benefit.

■ RAHUL SHARMA

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Illustrative Premium Table

	Worldwide excluding USA & Canada			USA & Canada		
Duration of trip	5-40 years	41-60 years	61-70 years	5-40 years	41-60 years	61-70 years
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 – 14 days	274	274	329	324	392	464
48 – 60 days	559	559	671	948	1172	1400
148 – 180 days	2424	2424	2909	4148	5172	6200

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HINDUSTAN TELEPRINTERS

Empty targets

Hindustan Teleprinters Limited (HTL), the public sector manufacturer of teleprinters and electric typewriters, has turned in an uninspiring performance. Though sales turnover increased from Rs.19.26 crore in 1987-88 to Rs.27.56 crore during 1988-89, net profit came down to Rs.1.43 crore (Rs. 1.84 crore in the previous year). And indications are that this will not improve.

The manufacture of electromechanical teleprinters, hitherto HTL's bread and butter is being phased out, and the production of electronic teleprinters still hovers at 50 per cent of the installed capacity of 8,000 machines. None of the projects HTL had set its sights on in early 1989 (see *Business India*, 6 February 1989) — fax machines, VCR's components for the Vikram net, and data modems — have materialised.

Ruled out. Targets are therefore being pruned drastically. Originally HTL planned to reach a turnover of Rs.100 crore in 1989-90, but this has now been brought down to Rs.50 crore. And, if past experience is anything to go by, growth can only stagnate at the present level. HTL's VCR project is now completely ruled out. Its fax application, submitted six months ago, is still pending with the government.

Manufacture of modems, used in networking computers, is the other project which R.P. Subramanian, chairman and managing director HTL, maintains will be taken on in a big way. But this has been a virtual non-starter. HTL has signed an MOU with Telettra of Italy for the manufacture of multiplexes. But its commissioning has not yet been firmed up.

In the absence of new projects, HTL wants to flog the electric typewriters project to life. But its performance in this area continues to be uninspiring. It sold only 700 out of the 1,200 machines manufactured since 1987-88. In a market where it is fitted against the likes of Godrej, HTL insiders attribute the limp performance to the fact that they "don't have the marketing expertise of the private sector". This project is being revived primarily, it appears, to keep the work force occupied.

Obviously, HTL is today in an uncomfortable position. This is made worse by the entry of HCL and WEBEL Telematics into electronic teleprinter manufacture. This seriously threatens HTL's dominance in this area.

Electric typewriters: uninspiring

Currently, the only concrete proposal is to increase production of electronic teleprinters from 8,000 to 12,000 after this unit begins producing machines at full capacity. HTL plans to reach this level of production during 1989-90.

Excess manpower. HTL employs an excessive 170 workers to produce the 4, 000 electronic teleprinters it does now. Even if the stated capacity is reached, the company will still have excess manpower. "Unlike the private sector we cannot retrench our workers and a voluntary retirement scheme may deprive HTL of its best employees," maintain company bigwigs. In such a scenario, only drastic steps and the adoption of new projects will help HTL survive.

■ DHARANI K. PANI

DOUBLE COLA

Riding piggyback on Duke's

Is the Chattanooga, Tennessee-based cola, Double Cola, which created ripples in the Indian soft drinks market in the summer of 1987, out of the running?

The Double Cola Manufacturing Company Ltd (DCMC) and its principal franchisee, National Beverages Pvt Ltd (NBPL) have sunk deep into the red and production of the company's cola, orange and lemon products has dwindled to a bare 400-500 crates a day against a peak output of 18-20,000 crates a day in the summer of 1988 (see *Business India*, March 6-19, 1989).

The company, however, got a breather by signing memoranda of understanding (MOUs) with its creditors in Bombay and persuaded them to withdraw the winding up petitions they had filed against it for recovering their dues.

Now, with a change in the board of directors (Kanubhai Dhurandhar has replaced V.C. Gopalkrishnan as president) and a total change in staff, the company is trying to regain lost ground, at least in Bombay.

The company's two remaining distributors in Bombay, after 12 others gave up the account, have also been asked to quit and the distribution has been handed over to Duke and Sons Pvt Ltd.

Mutually beneficial. The distribution arrangement, which became operational in the first week of October, is restricted to Bombay city alone. "We entered into the agreement because we found it mutually beneficial," says Naval Pandole, director of Duke and Sons. "They have spare capacity and we do not have a coke or an orange drink that is doing very well in the market."

Duke's, according to Pandole, will buy stocks from Double Cola and distribute them through its own network. The arrangement entails that Double Cola discontinue its He Man soda as it would otherwise be directly competing with Duke's own soda.

However, according to market sources, Double Cola's supplies are very erratic as the company is facing a financial crunch and is unable to buy its raw material. Duke's distribution clout may well help generate the funds to get the cola moving again.

But soft drink distributors are not sure if the arrangement will work out in the absence of marketing inputs like advertising and sales promotion which are vital for the sale of soft drinks.

When the company defaulted on payments to its agencies, they stopped releasing the product ads and the Indian Newspaper Society (INS), the Advertising Agencies Association of India (AAAI) and Doordarshan blacklisted the company in November 1988.

Industry sources and the distributors had predicted that if the product failed to make an appearance in the market in the summer of 1989, it would stand very little chance of survival. But it also failed to come into the market during the "mini summer", which is the month between the monsoon and winter.

By next summer, when the war between the US soft drink giant, Pepsi, and the Indian cola giant, Thums Up, will be raging, where will Double Cola stand in the market?.

■ ALOYSIUS FERNANDEZ

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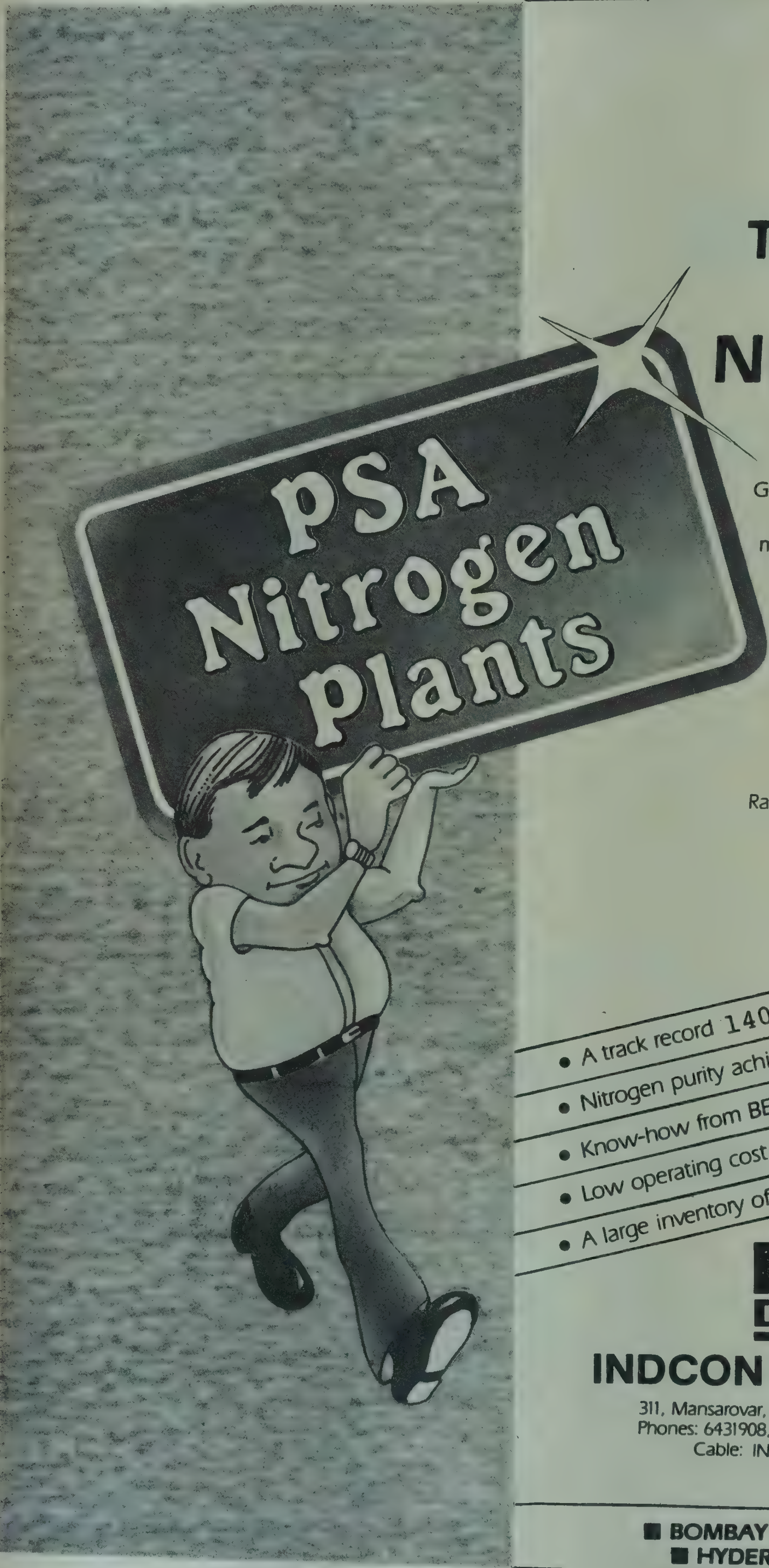

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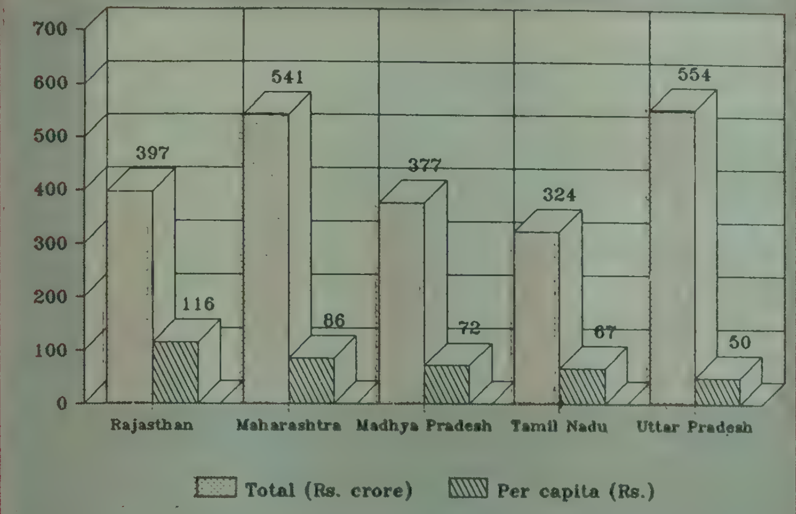
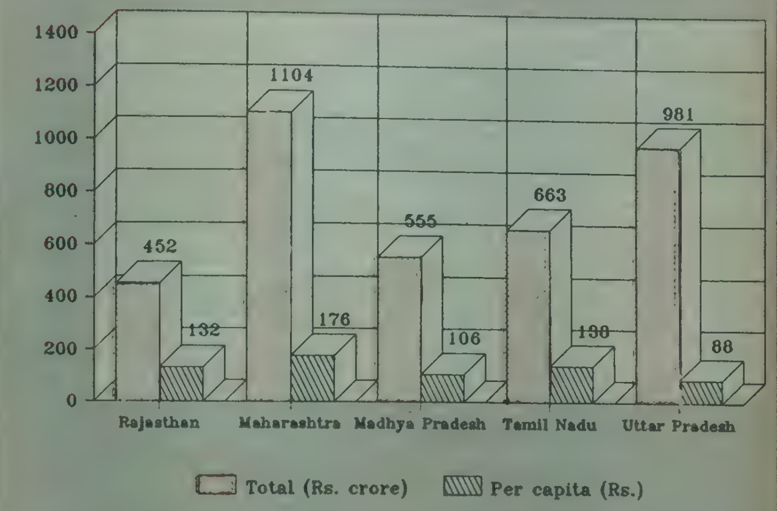
Expenditure on health: 1987-88



Uttar Pradesh leads with the largest total expenditure on health. Yet, thanks to its large population, the per capita expenditure is the least. For all theoretical purposes, those living in Rajasthan can expect the best medical assistance, since the per capita expenditure here is the largest.

Expenditure on education: 1987-88



As can be seen from the above table, Maharashtra leads in both, total as well as per capita expenditure on education. But in all states, including Maharashtra, a disproportionately large part of the expenditure is devoted to high school and college education, the benefits of which accrue to only about 5 per cent of the Indian population.

Wholesale price index: The all-commodities index has increased by 1.4 per cent during the month under review. The index for primary articles has risen by 1.3 per cent, mainly because of the sharp increase (8.6 per cent) in the prices of oilseeds. The index for manufactured products too has risen appreciably by 1.7 per cent.

(1981-82 = 100)

	16 Sept 1989	19 Aug 1989	17 Sept 1989	% change over month	year
All commodities	167.7	165.4	154.2	1.4	8.8
Primary articles	168.8	166.7	159.0	1.3	6.2
Mfg. products	169.2	166.4	152.3	1.7	11.1

Bullion prices and stock market index: The price of gold continued to rise and showed an increase of 0.3 per cent over the previous month. Silver increased by 0.2 per cent and the Bombay Stock Exchange index by 12 points.

	20 Oct 1989	20 Sept 1989	18 Oct 1988	% change over month	year
Gold (Bombay)	3,115	3,105	3,150	0.3	- 1.1
Silver (Bombay)	6,816	6,799	6,452	0.2	5.6
Bombay Stock Exchange	738.52	726.26	678.67	1.6	8.8

(Gold prices are in rupees per 10 gm and silver prices are in rupees per kg)

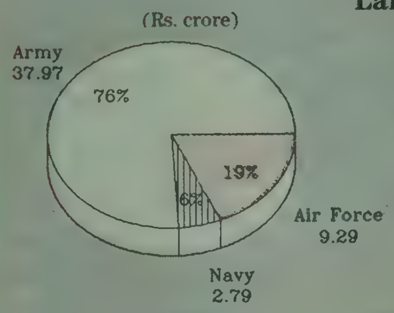
Money and banking (scheduled commercial banks): Broad money (M3) increased by 0.8 per cent in the month under review. Food credit showed a substantial decrease but there was a marginal increase in bank credit. The credit depreciation ratio, however, showed a negative growth.

(Rs. crore)

	22 Sept 1989	25 August 1989	23 Sept 1988	% change over month	year
Broad money (M3)	2,05,976	2,04,177	1,74,993	0.8	17.7
Aggregate deposits	1,52,447	1,50,840	1,29,030	1.06	18.1
Bank credit	89,032	88,659	73,200	0.4	21.6
Food credit	802	1,048	1,350	–23.5	–40.5
Credit dep ratio	16.43	16.75	16.97	–1.9	–3.2

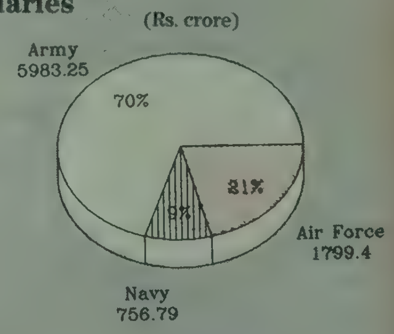
Defence expenditure: 1988-89

Land



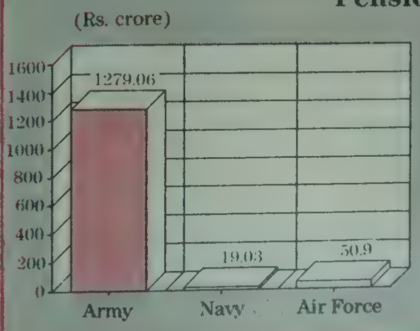
Of the total amount of Rs.8539.44 crore spent on salaries, the lion's share went to the army.

Salaries



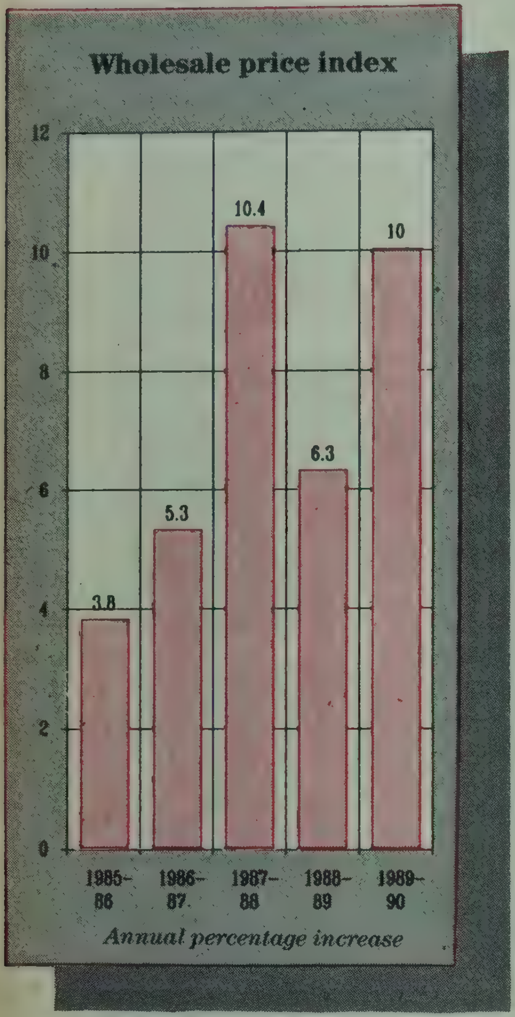
The ministry of defence spent Rs.50.05 crore on acquiring new property. Of this, the least went to the navy.

Pensions



The army continues to lead with the majority share in pensions too the total amount spent was Rs.1,348.99 crore.

Inflation is here to stay



Election year, or no election year, prices of essential commodities are rising sharply. This is in spite of the year having the second good monsoon in succession. The wholesale price index, which stood at 156.8 on 1 April 1989, has risen to 167.7 by 16 September 1989, a rise of nearly 7 per cent in 6 months. Primary articles and manufactured products rose by 7.7 per cent and 7.6 per cent respectively.

The rise in prices of sugar, edible oils and tea is alarming, to say the least. The price increase in sugar is so phenomenal that it leaves a bitter taste. Wholesale prices have shot up from Rs.700 a quintal last year, to Rs.1,100 a quintal at the major trading centres, up 57 per cent. Edible oils, especially groundnut oil, crossed Rs.250 per 10 kg, up 25 per cent over last year. Retail prices have risen even more. And the popular cup that cheers does so no more. Tea prices have gone up by over 40 per cent in the last six months. The story is the same for commodities like pulses, meat, and other household items.

In India, the prices of essential commodities rise because of excessive demand pull and that of luxury items because of cost push. Sometimes, government policies misfire, commodities are hoarded and sold in the black market all of which aggrevate the price instability.

Undue optimism

The official reason for the sharp rise in the price of sugar is the fall in sugar production from 9.11 million tonnes in 1988 to 8.7 million tonnes in 1989. The delay in imports was prompted by the optimism that sugar production would touch a new high of 10.2 million tonnes this year. It was only in June that the government, waking up at last, decided to import 500,000 tonnes of sugar. But, by then, the harm was done and prices soared.

In the case of groundnut oil, the problem was not of fall in production but of government bungling. The production of groundnut oil actually increased from 570,000 tonnes to 790,000 tonnes this year. This brought down the price of groundnut oil to Rs.16,500 a tonne, much below the target price range of Rs.20,000 to Rs.25,000 set by the National Dairy Development Board. But, when the government started mopping up substantial amounts of groundnut oil, the price soared.

The responsibility for advising the government on procurement and minimum support prices of important agricultural commodities has been entrusted to the Commission for Agricultural Costs and Prices. The commission, while making its recommendations, takes into account changes in input costs, inter-crop price parity and also parity between the prices received by the farmers for their produce and the prices paid by them for purchases.

On the recommendation of the commission, government increased the procurement price of paddy from Rs.150 per quintal for 1987-88 to Rs.160 per quintal for 1988-89. In the case of wheat, the increase was by Rs.10 — 5.8 per cent.

The steady increase in support prices over the years — mostly to placate the farmer lobby — has had a lot to do with inflation in the country. The same is the case with administered prices of industrial goods like coal, steel, cement, other non-ferrous metals, fertilisers and drugs. These increases have had a cascading effect on other industrial products.

Excessive liquidity

But production shortfalls and procurement prices is only one side of the story. Excessive liquidity, according to the Reserve Bank of India, has pushed up prices in recent years. Money supply has been growing at a phenomenal rate of about 17 per cent per annum, for the last four years. This brings about the classic demand pull inflation of too much money chasing too few goods. The RBI has warned that unless there is a commensurate increase in production, inflation could get out of hand.

But with government expenditure on the increase, there is hardly any chance of money supply being curtailed, for higher expenditure also increases wage expectations and the inflation element is built into wage bargaining at all levels. The short term outlook is gloomy. Double digit inflation is here to stay hitting the common man the most.

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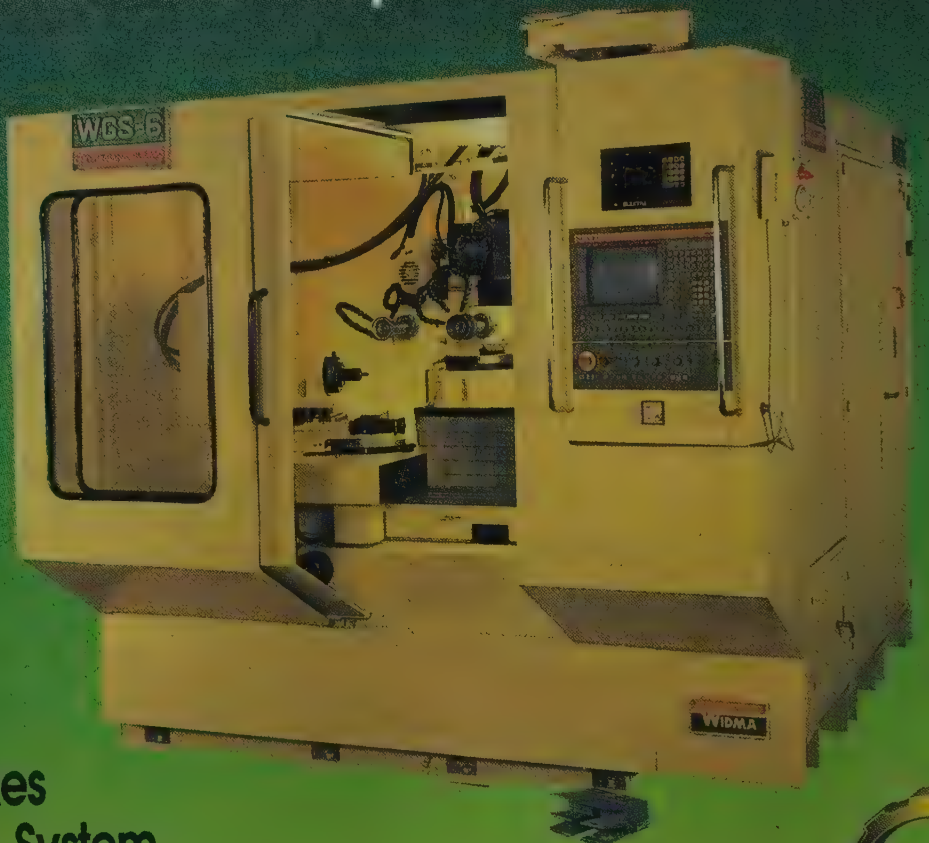

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A Yes, there is. The Electronics and Computer Software Export Promotion Council ESC). We are the nodal agency sponsored y the Ministry of Commerce for export romotion of electronics and computer oftware.

Q *What exactly are ESC's aims and bjectives?*

A Our main objectives are to support, rotect, maintain, increase and promote the xport of products and services in the areas electronics and computer software.

Q *I need access to market research to rmulate my export programme.*

I also need assistance in the evelopment of my products. Could ESC elp?

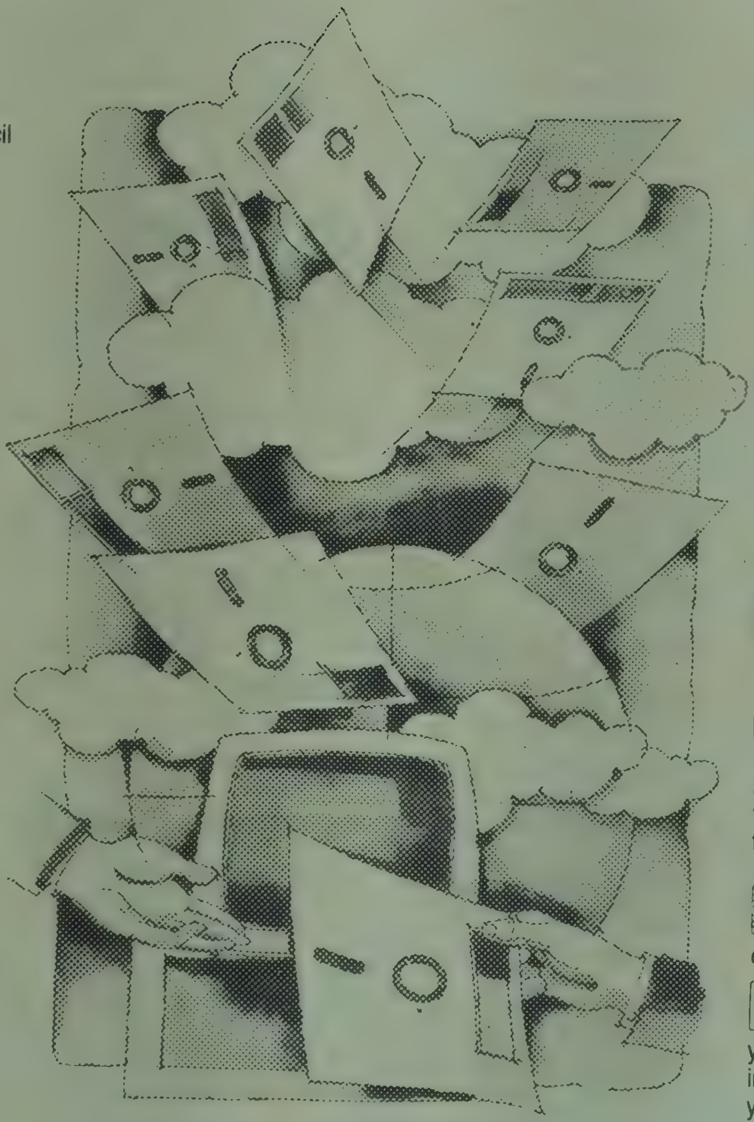
A We at ESC conduct market research udies abroad on a regular basis to explore eign markets and identify items that have port potential. So you see — a constant eam of upgraded information on ernational marketing trends and product ecifications is available to you. This comes you packaged through seminars, lectures, cussions, workshops and our publications.

And we don't just provide you with ormation. We also assist you in the very velopment of new exportable products and nduct proper inspection of these goods. In dition, we also assess and assist in the ning of personnel for export promotion.

Q *How can ESC help me implement my ort programme?*

A We can help you meet buyers from oad, direct trade enquiries to you, promote e contacts, give you assistance in terms of inputs and export services including duty drawbacks, cash compensatory and other budgetary support.

In addition, we also participate in major exhibitions abroad where you are welcome to display your products. We also conduct other publicity campaigns in foreign countries for your products.



Q *Were I to run into snags while dealing with the authorities, could ESC help me?*

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Q *Sounds like just the thing I need. Now, how do I avail of ESC's services?*

A It's simple. ESC's services are available to all its members. The annual membership subscriptions are graded to match your turnover. These will more than pay for themselves many times over — in no time at all

Q *I'd like to discuss it with you soon. How do I get in touch with you?*

A Write to us for a registration form. After you have sent it back to us duly filled in, we'll invite you over for a discussion. Or if you like, you can bring it across to us personally.

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ELECTION 1989

Under whom will you be better off?

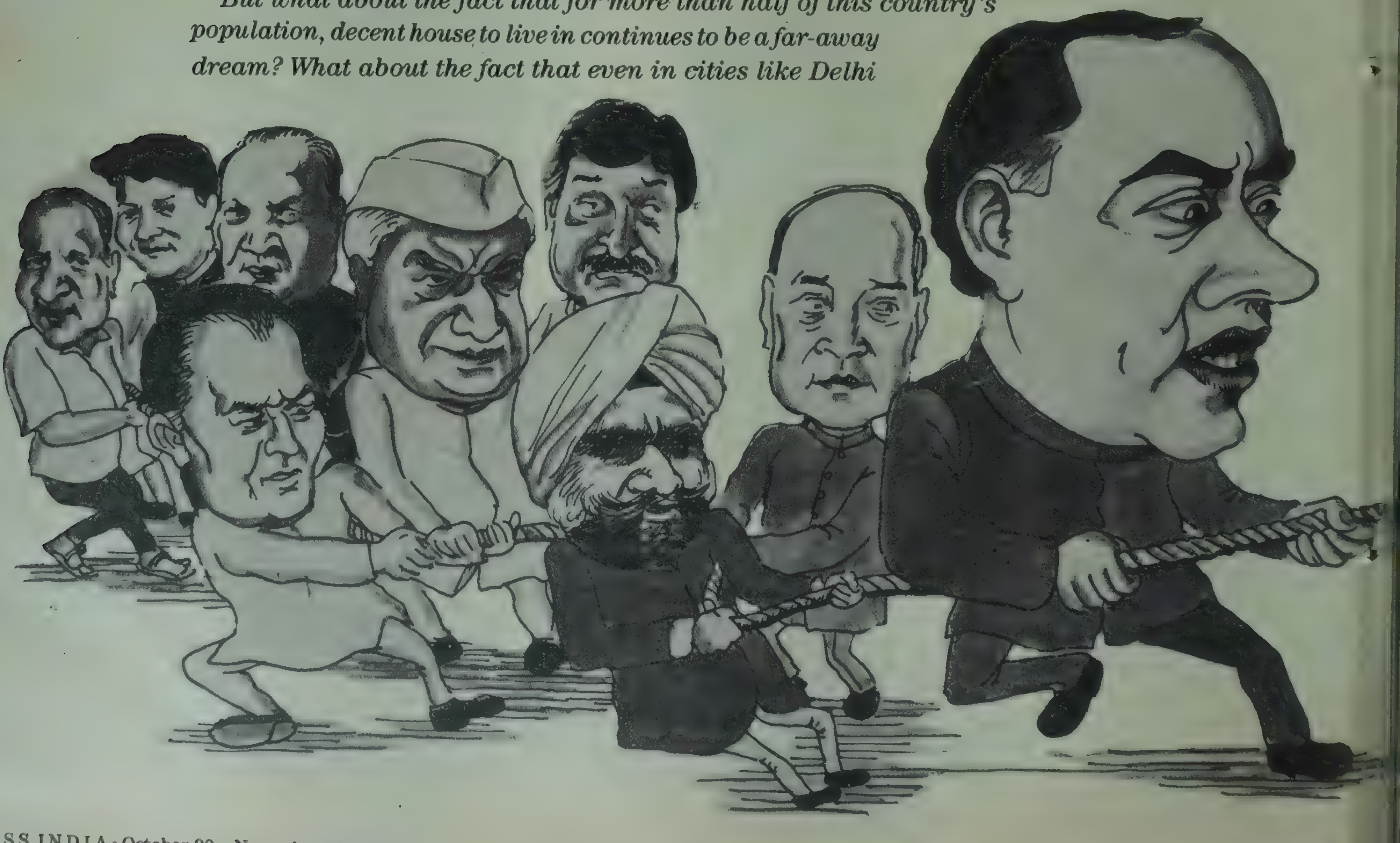
The bugles and conchshells have been blown, and the battle of the ballot is on. Political pundits are pontificating on Bofors, St. Kitts, communalism, corruption... et al. *In the din and dust of such explosive skirmishes in the political arena, it is perhaps to be expected that a crucial issue will be marginalised, if not buried altogether during the polls — the economy*

Put simply, what will the next government do with the economy of India? This issue may not ignite passions and swing voters the way corruption and communalism will. Yet, it affects the common man profoundly. What policies will the next government initiate to tackle poverty, unemployment, inflation? Will it experiment with privatisation? Will it reduce subsidies? Will it raise or lower taxes? What is its solution to the debt burden both, internal and external? Will it let liberalisation run its full course by allowing freer imports of even consumer durables and permit free inflow of foreign capital? What will the agenda be on indigenisation and self reliance?

Worldwide, such issues can make or break governments but, in India, rarely do they decide elections. The rare exception was when Indira Gandhi went to the polls in 1971 with her garibi hatao *slogan. It is time, however, that the electorate pause and consider that there are matters that affect life beyond communalism and corruption.*

Unfortunately, it is the political parties themselves who have been primarily responsible for reducing election fights to single issue affairs. The Opposition's main plank this time, for example, will be Bofors and how Rajiv Gandhi misled the nation. And the Congress, will harp upon the fact that the Opposition is anti-common man because it defeated the Nagarpalika and the Panchayati Raj bills in Parliament.

But what about the fact that for more than half of this country's population, decent house to live in continues to be a far-away dream? What about the fact that even in cities like Delhi



and Calcutta, in these times, people have to contend with frequent power failures? What about the fact that even after 40 years of so-called development, a large portion of the population has to walk miles every day for drinking water? What about the fact that apart from New Delhi, very few towns or cities in the country can boast of decent roads?

These are issues that affect our daily lives profoundly, but no political party has ever dared to tackle them in their election promises. But, looking at whatever perfunctory mention that has been made on economic issues in the election manifestos released by political parties so far, Business India *provides readers an analysis of the options available before them when they go to cast their votes, three weeks from now*

What with Bofors, loving Rajiv Gandhi does not come very easily to much of the urban intelligentsia in this country. Many would like to hate him, but they will nevertheless have to agree on one critical issue, regardless of their present political affiliations. In his 60 months in office, Rajiv Gandhi has turned the country's industrial economy on its head.

"The market-oriented policies that Rajiv Gandhi followed has given an unprecedented boost to the industrial sector," says a Bombay-based industrial economist who was once close to the Janata party and now considers himself politically neutral. "I don't think the industrial sector has ever had it so good. From being only the seventh largest cement manufacturer in the world, we have today become the fourth largest. From being the eighth largest fertiliser manufacturer, we are today the fourth largest."

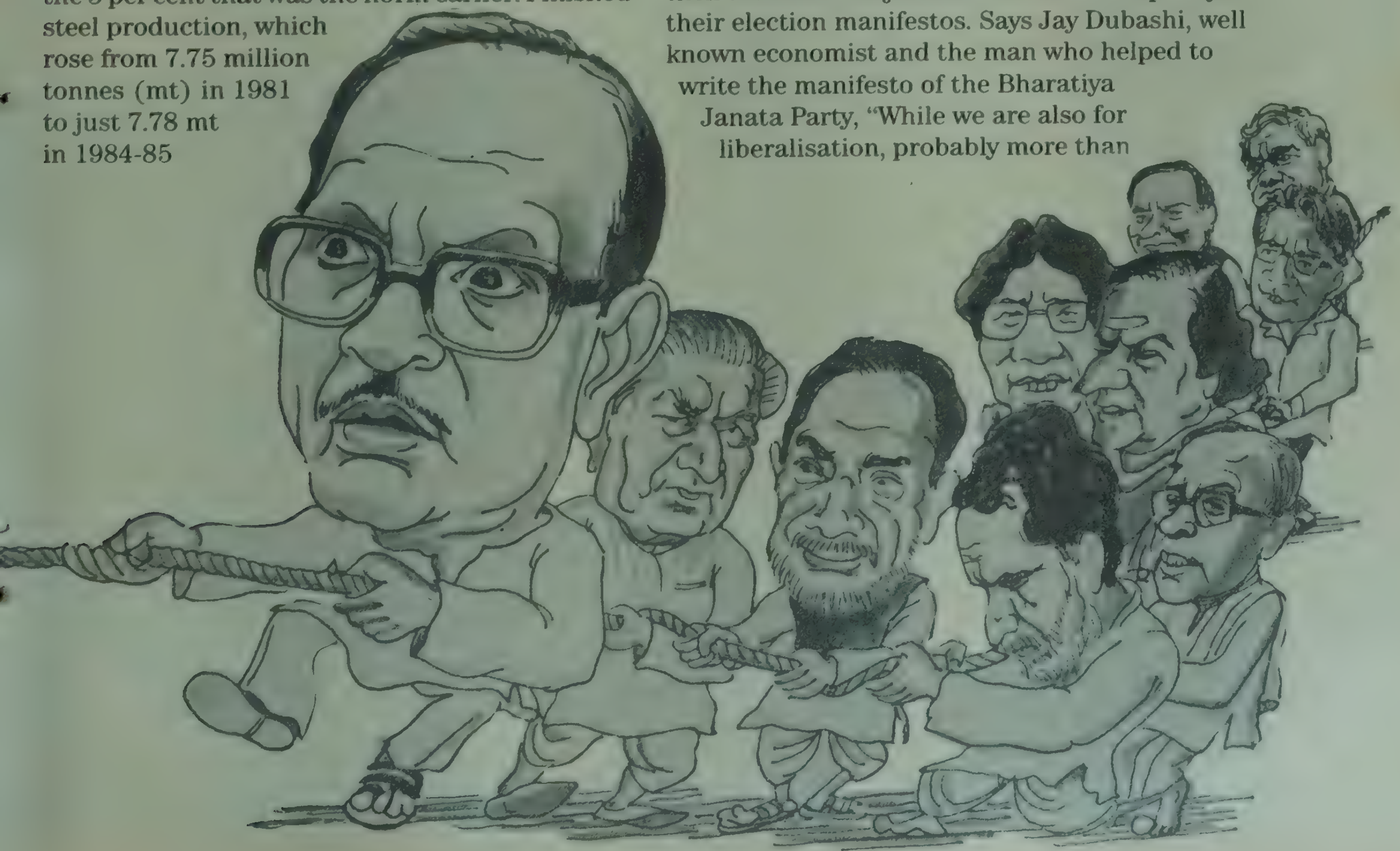
Industrial growth during Rajiv Gandhi's five years reached 8 per cent annually, a far cry from the 5 per cent that was the norm earlier. Finished steel production, which rose from 7.75 million tonnes (mt) in 1981 to just 7.78 mt in 1984-85 jumped to 11.3 million tonnes in 1988-89. Fertiliser production jumped from 5.1 to 8.87 mt in the four-year period, and cement from 2.9 to 4.4 mt.

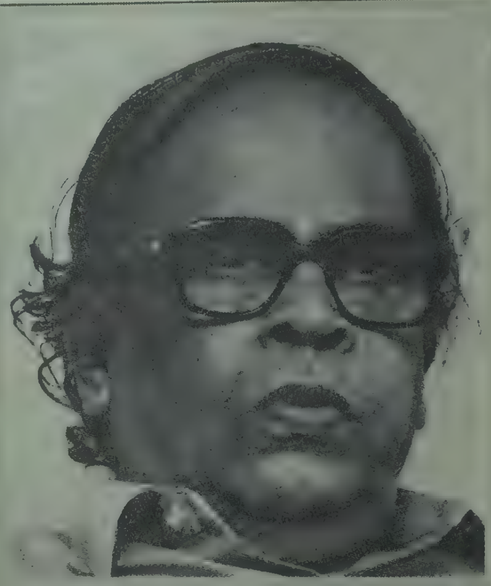
Says Ram Pipraiya, a Bombay-based industry analyst, "From an economy burdened by shortages, in the five years' time, we had transformed ourselves to one facing gluts. Where once we talked about upper limits on capacity, we now talk about minimum economic capacity."

Adds a two-wheeler manufacturer based in north India, "Whether V.P. Singh becomes prime minister or Rajiv Gandhi retains power, the industrial liberalisation policy that the present government has followed seems to be irreversable. It is alright to mouth socialist slogans to impress the voter. But privately, even these politicians realise that the opening up of the economy is irreversible."

Strident criticism

And yet the Opposition parties are strident in their attacks on Rajiv Gandhi's industrial policy in their election manifestos. Says Jay Dubashi, well known economist and the man who helped to write the manifesto of the Bharatiya Janata Party, "While we are also for liberalisation, probably more than





"While we are also for liberalisation, we do not believe in a suicidal opening up of the economy."

— JAY DUBASHI

the Congress, we do not believe in a suicidal opening up of the economy which will cause more harm in the long run." Similar sentiments are echoed by leaders of the Janata Dal. Asks Chandrashekhar: "What is the point in liberalising 10 per cent of the economy and leaving the rest to rot?" But his fellow party colleague and idealogue Surendra Mohan, who wrote the Janata Dal manifesto, strains to add, "Poverty is the major economic problem facing the nation today. Two-thirds of our population is involved with agriculture, so any policy which neglects this fact and attempts rapid industrialisation, is bound to create further impoverishment."

While the Congress (I) has not formally released its manifesto, it basically offers more of the same. And this goes with the thinking of a large number of people that the economy has done reasonably well under Rajiv Gandhi. Says a Planning Commission member, who is an ardent admirer of liberalisation, "The biggest achievement of this government was in 1987-88. It was the first time in independent India that the economy grew despite a severe drought". H.P. Nanda, chairman of Escorts Ltd, the engineering and two-wheeler giant, also feels that the hallmark of the last five years has been consistent growth. Many in the corporate sector agree with him, though most are not willing to go on record. An exception is Gurcharan Das, chief executive of Procter & Gamble (India), who says, "Never before has the country seen such economic growth."

According to the National Front (comprising the Janata Dal and several state level parties) the three biggest failures of the Rajiv Gandhi government have been "surrender to foreign economic powers, the repeated increases in the prices of mass consumption items, and poverty". Says George Fernandes, former firebrand socialist leader and now chairman of the campaign committee of the Front: "If the Front comes to power, we will obviously review the Pepsi deal." Pepsi has come to exemplify the party's inherent distrust and dislike for the so-called "exploitative" MNCs. It could well be taken for granted that if the Janata Dal does come to power, the spate of MNCs entering the consumer goods sector in India will recede.

Fernandes, it must be remembered, was directly responsible for throwing IBM and Coca-Cola out of the country during his tenure as industry minister in the last Janta government in 1977-79. This move scared MNCs enough to deter them from even thinking about investing in India for many years. But then, at that time, Fernandes more or less had the full support of his fellow coalition constituents like Congress-O and Jan Sangh.

Ajit Singh, an influential Janata Dal member, is known to hold views that are distinctly pro-MNCs. And Viren Shah, a close friend of Fernandes and his sponsor in the late seventies, when asked specifically about the Pepsi deal, vis-a-vis the Coca-Cola affair, says, "We can always change our policies. Now it is time we allowed multinationals in. While the Soviet Union, China and Hungary are inviting foreign capital in a big way, we stick to our illogical 40 per cent FERA limitations like limpets. It seems the minds of the Indian politicians are frozen into the 18th century."

The Congress (I), on the other hand seems inclined towards actively encouraging MNCs. Although a handful of left-oriented Congressmen are known to privately dislike foreign investment, there is no doubt that if the party does retain power it will actively consider the possibility of raising the present 40 per cent FERA limit to 51 per cent. Its main contention is that bringing in equity will be the best form of foreign investment in the country, a fact that is not lost on multinational executives, most of whom are unabashed supporters of Rajiv Gandhi and his policies. Says a director of a German MNC in Bombay, "We have major investment plans in the country. But much will depend on Rajiv Gandhi's coming back to power."

Yet another issue, where the Janata Dal appears to be to the left of the Congress, is public sector. While worldwide, governments of all stripes are dismantling state control over inefficient government-owned enterprises, Surendra Mohan says, "We will not allow the public sector to be gifted away to private corporate operators." According to him, the solution to the problems of the public sector lies in increasing efficiency and reducing bureaucratisation, not in privatising it.

The constant refrain of senior Janata Dal leaders is that the government of India is selling off the nation to select private sector entrepreneurs. Yet, while refusing to accept privatisation of the public sector, the party does not really offer any concrete solutions. In fact, Mohan seems to be against private sector investment as well. Says he, "In 1986-87 and 1987-88 we saw an additional investment of around Rs.20,000 crore in the private sector. But what was the result? Some 1.2 million jobless. Why? Because technology is displacing labour."

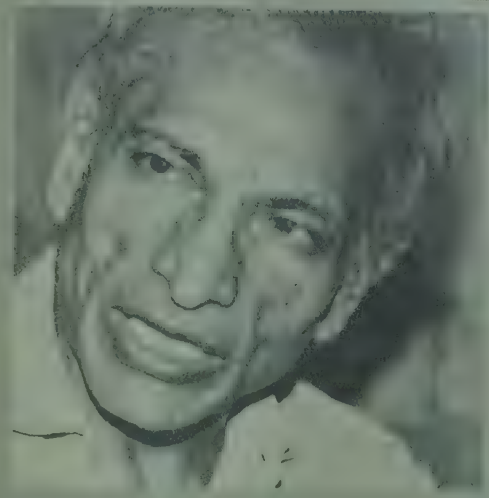
Congress leaders, however, don't venture to talk about dismantling any of the public sector controls. But the very fact that the government, in the recent past moved to-

Rural sector: got a raw deal?

wards privatising organisations like Scooters India Ltd, provides some observers with an inkling that, after all, Rajiv Gandhi might not be averse to some changes. Nevertheless, the present government can at least take credit for the fact that from net profits of a mere Rs.240 crore in 1984, 201 public enterprises logged a record Rs.2,183 crore in 1987-88. And this was after adjustments for net losses of Rs.1,719 crore incurred by some 101 enterprises. But the return on total net investment continues to hover around a paltry 5 per cent.

The BJP, at least on paper, offers the most radical solution for the public sector crises. Atal Bihari Vajpayee says that the BJP's primary aim will be to let the public sector stand on its own. Jay Dubashi elaborates: "We will create a new management service for the public sector and cut the power which bureaucrats wield over managers and decision making." Further, the BJP proposes to encourage workers' participation through shareholding. Dubashi adds, "Public sector companies or ministry level bureaucrats will not be allowed to raise prices without consultations with consumer bodies."

There was, in fact, a serious move afoot in the party to include a provision in the manifesto, stating that 49 per cent of the equity of public sector companies will be hawked off to workers and the public. The move, however, was scuttled "to avoid appearing too right of the centre".



"Over 8 million people are unemployed. We will first get our task force to review and drastically change the textile policy."

— SURENDRA MOHAN

This only goes to show how even a right wing party like BJP has to back-pedal from sounding too bold. Says Ramakrishna Bajaj, once an avid Janata Party supporter, "Whatever they may preach, no party — ruling or opposition — appears to have the necessary political courage to effect privatisation in a meaningful way." Nevertheless, as L.C. Jain, well known economist and winner of the Magsaysay award this year says: "No one has really offered a concrete approach to the public sector issue. Even the Congress is to blame. The prime minister had promised a white paper on the subject two years ago. It never came." He ascribes political expediency to such indecisiveness.

The same could be said of issues such as poverty and unemployment. Though the Janata Dal (National Front) claims that poverty eradication is its first priority, party leaders do not elaborate on whether they will continue with the present anti-poverty programmes or introduce new ones. The only solution offered is a reduction in income disparities. Congress leaders are perfectly happy with the current Jawahar Rozgar Yojana and, at the most, would like increased allocations.

Another major new thrust of the ruling party is the disbursement of anti-poverty funds at a decentralised level through panchayats. But then, Opposition leaders claim that the credit for panchayati raj, at the state level, goes to them, and not the Congress.

The BJP links poverty with unemployment and makes the latter its major thrust. It proposes to guarantee the right to work constitutionally, extend the employment guarantee scheme nationally, and introduce block level schemes to ensure jobs for all.

As for labour and the closure of sick units, especially textile mills, the camps are quite clear. No leader, or manifesto, has suggested in as many words that terminally sick mills will be allowed to close down. But, going by past experience, there is no doubt that without stating it as a party policy, the Rajiv Gandhi government will not nationalise ailing mills nor will it prevent their closure. More than 80 textile mills are known to have closed down since 1984 alone, and not a single one nationalised.

In contrast, the Janata Dal's view is that "capital is scarce, labour abundant, what we will try to undo is the damage caused by labour displacing technology". It's view on the textile mills, for example, is the old Datta Samant line. "The National Textile Policy of 1985 resulted in the closure of scores of handlooms and powerlooms," says Mohan. "As a result, over 8 million people are unemployed. We will first get our task force to review and drastically change the textile policy."

Not to be forgotten is the fact that the Janata Dal supremo, V.P. Singh, as the union finance minister in 1985, was the prime mover behind the new textile policy. And, contrary to Mohan's claims this policy does not seem to have affected the unorganised sector's growth in any way. In 1985, when the policy was launched, 27 per cent of all cloth made in the country was made by the textile mills. Last year, this figure dropped by 6 per cent, representing the spurt in activity in the powerloom and handloom sector.

Equally vague rhetoric characterises the various parties' pronouncements on inflation. For example, while rising prices, apart from corruption will be one of the major campaign issues for the National Front, it offers little by way of concrete solutions for controlling it. As V.P. Singh says: "The government has completely abdicated its responsibility of keeping prices of consumer items under control." Even before the elections were announced, the Opposition parties had begun lampooning the administration about spiralling prices. L.K. Advani, president of the BJP

ALTERNATIVES

The issue	Congress (I)	National Front	BJP	CPM-CPI
MRTP	Relax, probably increase the asset limit size	Tighten. Thrust on curbing growth of monopoly power	Status quo, may be relax	Slam the brakes
FERA AND MNCs	Will probably increase foreign equity limit to 51%. Will allow MNCs in consumer goods industries. Will actively encourage foreign investment	Will not increase foreign equity to 51%. Will review the Pepsi deal. Will discourage foreign investment. No MNCs in consumer goods industries	Will encourage foreign investment. Review FERA. But half-heartedly.	Nothing doing
DELICENSING	Definitely yes	Yes, but...	Yes	No
PUBLIC SECTOR	Status quo, possibly privatise. Allow private sector into core areas such as oil and power on an experimental basis. But mum on autonomy. Will not like to relax power over PSU chiefs.	Privatisation out of question. No private sector entry in the core sector. Emphasis on increasing "efficiency". In short commanding heights	Will create a new managerial service autonomous of the finance & industry ministries. Will not allow administered price hikes without consumer body consultations. Stress on financial autonomy.	No perestroika here. The private sector still the bad guys while the public sector is still the holy white elephant. Stress of course, on managerial efficiency.
PATENTS	Will review the options of joining the Paris convention	Will continue with the present laws. No Paris convention	Will change laws to encourage domestic patents	Paris convention is out of question.
POVERTY AND UNEMPLOYMENT	Jawahar Rozgar Yojana (JRY). Disbursement of anti-poverty funds through local bodies. No radical measure otherwise. Loan melas for the unemployed.	Poverty eradication the top priority. But no concrete programme offered, save cliches. Encourage employment through cottage and small sector	Daridra Narayan Seva JRY by another name. Right to work guaranteed in constitution. Employment guarantee scheme at block levels in all states. Comprehensive social security.	Panchayat Raj to take care of poverty. Stress on land reforms.
INFLATION	Two-pronged thrust to reduce deficit and encourage production, so that supply takes care of demand. No reduction in taxes, however. If need be to import commodities.	To reduce deficits by curbing non-developmental expenditure. Simultaneously, not willing to cut on major components of such expenditure, such as subsidies, salaries etc. contradictory.	To make deficict reduction mandatory to a pre-determined level by an act of parliament. Make amendments to reduce the power of the finance ministry over RBI.	To cut deficits and clamp down on the run-away liquidity in the economy. To divert resources from production of luxury items to essentials. In short to play the market.
LABOUR	Protect workers (SIC)	Try harder to protest workers by drowning at computerisation.	Make right to work a constitutional guarantee. Employment Guarantee Schemes all over the country at block levels	Workers of the world, unite.
FARM SECTOR	Remunerative prices, loan-write offs, crop insurance, sundry cliches	More cliches and a vow to rectify the rural urban disparities	60% of plan outlay reserved for the farm sector.	Land reforms to be the thrust, use of surplus labour instead of capital intensive methods.
ATTITUDE TO BIG BUSINESS	Highly favourable	Negative towards the so called "robber barons"	Will leave it alone	Negative

says: "What kind of control do you have, if sugar prices go through the roof during festival season?"

In the case of both tea and sugar, the two commodities which have witnessed unprecedented rises in price recently, the major problem is that production has not kept up with the demand. And there seems to be genuine problems in increasing the area under cultivation of both sugarcane and tea. But these again are issues which are not even touched upon by any of the parties in their manifestos.

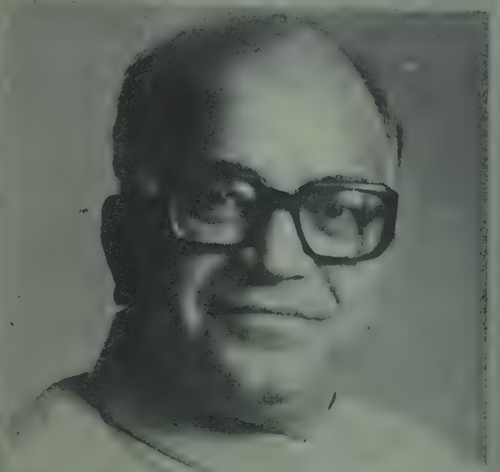
To quote from the Janata Dal manifesto, "Abnormal price rise will be checked by firm control of deficit financing and inflation, strict enforcement of financial discipline, austerity in public expenditure and progressive reduction in non-developmental expenditure." Beyond this resolve however, the manifesto does not elaborate. Leaders of the front, when asked specifically about the mechanics of price control, merely shrug and then wax eloquent about a commitment to reducing unnecessary government expenditure.

There is a contradiction here. The National Front will not privatise the public sector; it will not reduce subsidies on a practical level; it will not allow modernisation lest the labour gets displaced and hence block improvement in efficiency; for the same reasons it will not cut down on government salaries, the rise in which is taking large chunks out of the central revenue every year; it will not allow a raise in taxes. So how does it plan to bring down the budget deficit?

One does not know. A BJP leader, referring to these inherent contradictions in the policy statements of the National Front, says, "You cannot have everything. To reduce deficits, you will have to introduce some unpopular measures."

Mandatory cuts

The BJP, however, is quite clear about what it wants to do with the budget deficit. First, there will be an act of Parliament on the lines of Gramm-Rudman Act in the US which will make it mandatory for the government to bring down deficits to a predetermined level, or introduce automatic across-the-board cuts under all heads of government expenditure. "Reducing deficits to a zero level is impractical, but one can put a mandatory ceiling on them," says Jay Dubashi. To facilitate this process, an amendment will be made to the RBI Act in Parliament which will ensure that the RBI cannot be dictated to by the finance ministry.



"The National Front is going left, right and centre at the same time, which means, the economy is going nowhere."

— V. R. GADGIL

While they do get uncomfortable when talking about prices, Congress leaders recite chapter and verse from the party's "otherwise excellent track record" in the last five years. They maintain that if voted to power again, the Rajiv Gandhi government will further accelerate liberalisation to benefit the corporate sector. "It will mean bigger markets for companies, more profits and more important, a conducive business environment," says Eduardo Faleiro, state minister of finance. There is apprehension that if V.P. Singh comes to power, the raid raj might begin again. Of course, Singh counters this by saying that raids are only for serious offenders, not the corporate sector as a whole.

All said and done, it is widely perceived in industry circles that the Opposition has an anti-business slant. Says Harish Mahindra: "The Opposition, if elected to power, may try to impose restrictions on business." Besides, repeated demands from industry, as well as economists, that the MRTP and FERA acts be further relaxed, will in all probability not be conceded to by the Opposition. As Subroto Ganguly, managing director of ACC says, "The idea behind MRTP was not just restriction on size. Its essence was to remove the ugly face of capitalism. Besides, FERA is completely obsolete now." Since the Opposition's stand on this is contrary to its expectation it is natural that the corporate sector is apprehensive. A now famous quip used by the Opposition makes the point obvious: "We want self-reliance, not Reliance!"

The Congress, no doubt, is unhappy at being viewed as pro-business, though it wouldn't say so, in so many words. But V.N. Gadgil ventures to say, "The National Front is going left, right and centre at the same time, which means, the economy will go nowhere. On the other hand, Congress offers a stable economic regime. Even a glance at the manifestoes of the CPM, the Janata Dal and the BJP will show that they will be working at economic cross-purposes if voted to power. Where will the economy go then, without the stability?"

L.C. Jain dismisses this charge and says that there is no stability in the economic policies of the Rajiv Gandhi government also. "You broadband the automobile industry and yet not allow anybody except Maruti to make cars. You dole out licenses arbitrarily without considering economic criteria. You change import and export laws whimsically. Where is your stability?" he asks.

Jain is also particularly disturbed about the manner in which the unorganised and the rural sectors of the economy have been ignored. But Congressmen do not agree. "Which party has introduced the anti-poverty and unemployment programmes in rural areas on the scale we have?" asks a prime ministerial aide.

Opposition parties insist that the farm sector has got a raw deal, and the neglect will be rectified predictably apart from promising to write off rural loans worth Rs.20,000 crore, the Janata Dal offers only cliches. The BJP also stipulates that it will reserve 60 per cent of the plan outlay for the farm sector.

So the swords have been drawn, and the issues over which the fight will take place are quite clear. If the Rajiv Gandhi government is re-elected the economy may well continue to move the way it is now, towards more competition — with all its attendant good and evil. If the Opposition forms a government, it will mean a nyet for Pepsi, a bigger thrust on the agriculture front and curbs on growth of big business houses. Says a Delhi-based economist: "The Congress policies could either become a success as in the UK, or a disaster as in Argentina. The Opposition policies could either create a South Korea or a Burma." Evidently, it is for the voter to assess the odds.

■

SUTANU GURU
and N. RADHAKRISHNAN with bureau reports

Building the battle chest

Last fortnight, when the Bombay Bullion Assocation held its 40th annual general meeting, the chief guest was none other than Murli Deora, one of the biggest fund collectors for the Congress(I). Deora represents the cash rich South Bombay constituency in the Lok Sabha, an area which is responsible for nearly 60 per cent of the gold business in the country. (With the sudden announcement of the elections, Deora couldn't make it to the association's meeting, but brother Ramu substituted.)

At the association's meetings in the past, it was usually a high-ranking government official or an economist who was invited as a chief guest. Deora's choice, therefore, was a little surprising. But what it did prove was that with elections imminent, the firming up of the politico-business nexus was in full swing. It also established that once again, after a shift in 1984, the political parties are tapping business for money to fund their election campaigns.

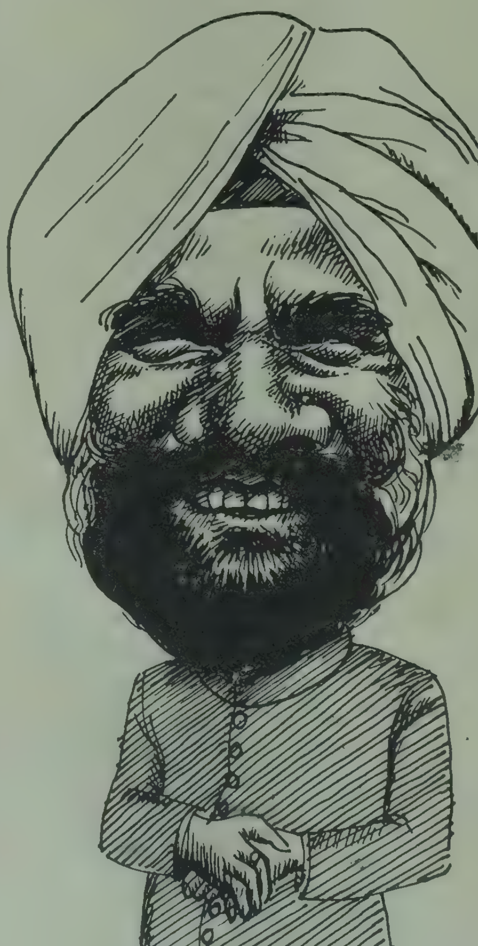
It is clear that the run-up to the forthcoming ninth general elections is witnessing a level of funding never seen, or heard of before. "It is almost as if the warlords of yore were accumulating a war chest", comments a well known Delhi based industrialist.

Changed scenario

Industry started contributing to the party coffers in a very big way for elections in early seventies. "The year 1971 was a watershed in election funding," says L.K. Advani, president of the Bhartiya Janata Party. That was the year when Indira Gandhi started accepting contributions from the industrialists on a large scale for the first time. "She went in for a different style because she was desperate to win the elections then," he adds. Till then, industry had but a minor role to play in the elections and candidates usually paid expenses from their own pockets. Today, however, it is a changed scenario.

Both Sitaram Kesari and Kamal Morarka, treasurers of the Congress(I) and the Janata Dal, respectively, admit that elections today need large sums of money. The Congress(I) is reportedly mobilising upwards of Rs.5000 crore for the elections. But then, George Fernandes, chairman of the campaign committee of the Janata Dal, says, "I have reasons to believe that Congress collections are not only election related." In fact, some political leaders from the Opposition are of the view that while part of the money will be actually spent during the campaigning, the balance will be used in case no party is a clear winner — for horse-trading.

To give an idea of the kind of funds involved, observers reckon that serious candidates in each of the 542 parliamentary constituencies in the country would need at least 150 vehicles for campaigning. Put another way, more than 50,000 vehicles travel at least 100 km a day for something like 20 days, and the total fuel bill alone runs into crores. The process had begun much before the elections were announced, specially in the so-called VIP constituencies like Amethi. A Youth Congress (I) activist from the constituency claims that "there are already 200 new jeeps in the constituency and more will reach in the final ten days," he says.



There are many other necessities too. One prominent National Front leader admits that musclemen are hired in constituencies to shepherd voters and sometimes even to capture booths. Funds are also required for posters and political graffiti, to distribute "incentives" to slum dwellers and others who need money, hire megaphones and assorted audio-visual equipment, and to feed hundreds of party workers. And of course, to hire professional advertising agencies to exploit the print medium. The advertising budget of the Congress(I) alone exceeds Rs.40 crore. The BJP, too, is going in for large scale spending on audio-visual advertising.

Accurate figures impossible

The magnitude of the funds required for elections is discernible. So, how do the parties actually go about collecting these funds? Who collects them? What are the avenues explored and mechanisms used

- TVS Electronics Limited
- Deepak Fertilisers Limited
- Bihar Sponge Iron Limited
- CANBANK 80CC
- Turnkey International Limited
- Hindustan Alloys Mfg Co Limited
- Switching Technologies Gunther Limited
- Videocon International Limited
- Carona Limited
- Elcot Newera Technologies Limited
- Sterling Computers Limited
- Surlux Health Centres Limited
- DCL Polyester Limited
- Lakshmi Motor Credit Limited
- Sumitra Pharmaceuticals & Chemicals Limited
- Man Aluminium Limited
- UB Petro Products Limited
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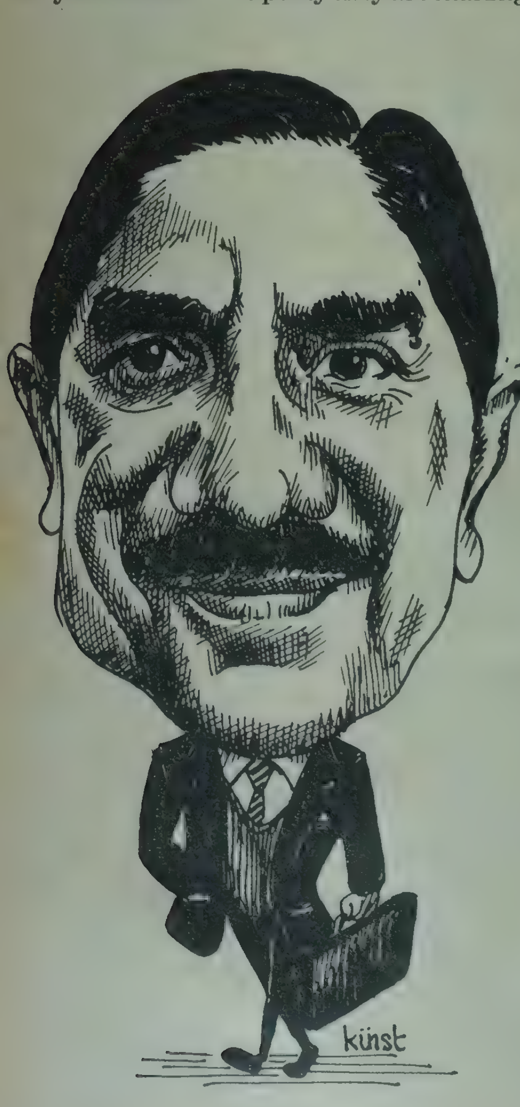
for the purpose?

In India, it is impossible to get accurate figures. Even the chief election commissioner, R.V.S. Peri Shastri, declined to speak to *Business India* about the question of election funding problems and the potential for reforms. He pleaded lack of time.

Political contributions from companies are perfectly legal. And for the first time, the revised Companies Act, 1956 will be put to test on a massive scale since amendments were made to it in 1985. Till 1956, there was no provision in the Act for political contributions by companies but only for charitable donations. However, subsequent to Bombay and Calcutta high courts ruling in 1957, charitable donations could include those to political parties. But in 1969, when Indira Gandhi came to power, all donations were banned under Section 293A of the Companies Act. This ban was lifted in 1985 and the companies were allowed to make political contributions in various forms.

However, there is a catch. The disclosure clause was added which makes it mandatory for companies to declare not only the name of the party they are making the contribution to, but also the amount. Under such circumstances, very few companies would donate to party coffers openly — openly being the operative word.



It is because Bombay is the nerve centre of the country's business that Murli Deora has acquired such a formidable reputation as a fund collector, as has Sharad Pawar, Maharashtra's controversial chief minister. A.R. Antulay, the former chief minister, too had openly taken donations for his Indira Gandhi Pratibha Pratishthan in exchange for cement quotas. This is not, however, limited to Maharashtra alone. In states like Tamil Nadu and Karnataka too, industry has done its bit for election funds. In Tamil Nadu, private transport operators have tradiationally been putting in money into party coffers. The process reached a peak during MGR's rule. Starting 1981, it has been the liquor industry which has been milked, both in Tamil Nadu and Karnataka. Chief ministers like Devraj Urs, Gundu Rao and Ramakrishna Hegde have been known to patronise them. And with Gundu Rao returning to the Congress (I) fold once again, the party just might be a major beneficiary of the funds coming from this industry.

It is obvious that the corporate sector does not contribute out of a sense of philanthropy. There are expectations. And that is why most companies hedge their bets by chipping in for the election funds of both the ruling party and the Opposition. "This system of a quid pro quo is inevitable in India because, till recently, the government exercised iron control over the grant of licences and permits," says D.H. Pai Parandikar, secretary general of the Federation of Indian Chambers of Commerce and Industry (FICCI).

And in this particular election year, matters have snowballed to a point where "it's almost as if the government has gone berserk, doling out licences to all and sundry for mega projects," complains Madhu Limaye, former Janata Party MP. He has no doubt whatsoever that money has changed hands for every letter of intent (LoI) and industrial licence (IL), with the Congress (I) being at the receiving end.

A third generation industrialist of an established business family in the capital agrees with Limaye. He feels that just about every norm has been thrown to the winds while granting licences in this election year. "Why doesn't anybody realise that such brazen practices will only kill the spirit of entrepreneurship in India?" he

asks. To all this, Tariq Anwar, chairman of the campaign committee of the Congress (I) has this to say: "It is not true."

Pending projects cleared

The fact of the matter is that in the last six-odd months, the government has cleared not less than 20 major industrial projects, many of which were pending for the last three or four years. The total investment envisaged in all these projects adds up to more than Rs.20,000 crore. Some of the more cynical businessmen and politicians in the capital say that for every project, a contribution equalling 2 to 5 per cent of the project cost has gone into the Congress (I) coffers.

Although the alacrity with which most of these projects have been cleared is certainly a cause for comment, the manner in which the controversial Haldia petrochemical project in West Bengal was cleared takes the cake. In a last moment decision — which is easily construed as a populist move — the central government okayed the Rs.3,000-crore project after a delay of 13 years. The decision took everyone, including the West Bengal government and even co-promoter R.P. Goenka, by surprise. He apparently had to rush to New Delhi from London to make sure that no one else walked away with the project.

Then, there is Abhey Oswal's Shahjahanpur complex which was first considered economically unviable by the government. It took him barely 48 hours to submit a fresh proposal and get it cleared by the projects approval board (PAB), the cabinet committee on economic affairs and the prime minister's office. Compare this with the four years it took JK Synthetics to get clearance for its Saleempur petrochemicals complex.

One look at the way the government has been clearing projects — and prime minister Rajiv Gandhi laying foundation stones — shows how hard the government is trying to appease the people. In fact, Oswal's 48-hour record is now no longer a sole event. In the last two months, other projects too have been cleared in the same hurry. The two major petrochemical projects — Auriya of the Gas Authority of India Ltd and Rs.2,290 crore Dehej project of Indian Petrochemicals Corporation are examples. Besides these, foundation stones have also been laid for a newsprint factory in UP, the MP Petrochemicals project at Vijaypur in Madhya Pradesh, a TV glass shell factory in Gujarat and a benefication plant of the Rajasthan Mines and Minerals Ltd. The list, in fact, is unending.

The last two months have seen a spate of public issues amounting to more than Rs.4,000 crore, and have made the headlines regularly. There is a widespread feeling among many in the market that political instructions were issued from the top to clear several of the mega issues. Says a senior manager of JK Synthetics, "It is incredible how companies are being allowed to raise such large sums without a proper evaluation of the viability of their projects." For many, the inferred link between elections and licences looks more like a politico-industry carnival than a genuine industrialisation drive.

This does not mean that the public sector lags behind — it probably leads. According to observers, just about every public sector company — big or small — is busy collecting funds for the ruling party. The usual means of diverting public money are: skimming the cream off the expenditure budgets cleared in Delhi, handing out contracts to 'favoured' parties, inflating expenditure statements and distorting production figures. Such activities are held up as examples of the "mismanagement and political interference" rife in the public sector. The Comptroller & Auditor General of India (CAG) has indicted almost a dozen public sector companies for wasting more than Rs.50 crore by overpaying, underbilling and overlooking.

Within the public sector too, there are favourites. The most important sector in an election year is oil. Not surprising, because the handful of oil companies in the country together account for an annual turnover exceeding Rs.25,000 crore. More important, those companies regularly parcel out contracts on a large scale. Two of the more celebrated mega scandals in this sector are the Kuo and Sumitomo deals with the Oil and Natural Gas Corporation (ONGC) and the Gas Authority of India Ltd.

Siphoned off

In the final analysis, however, public sector companies diverting public money is probably better than diversion of money meant for the public. Prime minister Rajiv Gandhi recently lamented that almost 70 per cent of the funds earmarked for poverty alleviation and rural development programmes was not reaching the people it was meant for. Evidently, they are siphoned off somewhere along the trail from New Delhi to the villages. The modus operandi here is apparently simple: development money is distributed to 'friendly' panchayats to be expropriated subsequently at the local level for later use. Such distribution has become even simpler this year, because fund allocation for developmental programmes is now centralised.

One area — which raises many a patriotic hackle in the country — is the entry and operation of multinational corporations (MNCs). The representative of an American MNC, which is in the top 50 of the Fortune 500 list, admits that "in an election year, particularly, we are deluged with requests — and demands for funds". According to businessmen, a politician is more comfortable dealing with MNCs because the risk of beans getting spilt is far lower.

Though the politician may prefer MNCs, he does not pass up the opportunity for a quid pro quo deal, for things other than licences, with the Indian private sector also. Most Indian companies, especially

those manufacturing cigarettes and liquor, are embroiled almost all the time in squabbles with the taxmen. If it is any indication of the deals being made, one need only count the number of pending cases — particularly those for excise — that are 'amicably' resolved in election years.

Well known

The Karnataka government's deals with various distilleries are well known. Thanks to liqour power, one liquor company got away with virtually everything. During Hegde's rule, they managed to get construction contracts worth Rs.42 crore. And the late M.G. Ramachandran's friendship with a liqour baron from Madras, is also well known.

However, in a state like Kerala, which has a CPI (M) government, the rules of the fund collection game are entirely different. Election funding is mostly decentralised, with local committees raising funds for their candidates. Election campaigns are almost frugal in nature and the maximum that has been spent by a candidate in Lok Sabha elections was in Kottayam where the CPM candiadate's entire campaign is supposed to have cost Rs.2 lakh. But this time, the CPM too is expected to use outside funds, mainly from liquor and construction contractors.

What is losing importance, probably, is the old practice of industry associations contributing funds. The more famous and powerful among these lobbies are those of tyres, synthetic fibres, steel, cement and aluminium. As an official of one of these bodies puts it, "Because companies are relying more on individual lobbying nowadays, these industry associations are less effective in election years. If the 1980 elections featured cement, and those in 1984 highlighted synthetic fibres, this will be the election of individual corporate superstars."

Figures that are making the rounds have been unheard of so far, and run into several hundred crores. According to one Congress (I) MP, his party would be spending anywhere upto a crore of rupees per candidate in each constituency. The figure bandied about in the Opposition camp, if not as much, is also substantial. A Janata Dal leader from western UP informs that he has already made arrangement for Rs.90 lakh. "I may have to spend less if the wave is in our favour, but I need money to resist their booth capturing," he says. A Congress (I) leader from Rae Bareli meanwhile says that "at least Rs.80 lakh will be required in the last 10 days before polling".

This being the kind of money being talked about, it is obvious that in the fund collection game, the dice is heavily loaded in favour of the ruling party, which happens to be the Congress (I), if only because of the business-politics nexus that it has developed. How will the Opposition parties manage funds? The stock reply, including that from V.P. Singh, is that the Janata Dal simply cannot match the resources of the Congress (I). So Singh claims that the elections will be fought with lokshakti. "They are getting money from all sources, putting pressure on industrialists, and from their own unaccounted sources," he says, "but if the people are with us, there is no need to match Congress (I)'s resources to win the elections."

> **It is clear that the run-up to the forthcoming ninth general elections is witnessing a level of funding never seen, or heard of before..... the dice will be loaded against the Opposition parties.**

L.K. Advani airs the same view when he says "our party feels hamstrung about election funds". The National Front's lack of resources will not be as severe as it claims, because states like Haryana, Andhra Pradesh, Tamil Nadu and others are after all ruled by Opposition parties. In fact, there is a feeling that N.T. Rama Rao, Devi Lal and M.K. Karunanidhi will give the Congress (I) machinery a run for its money. Besides, the Marxist parties have their dedicated cadres and the BJP, equally dedicated traders. In the balance, of course, the dice will still be loaded against the Opposition parties. ■

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RUCHIRA GUPTA and RAHUL SHARMA

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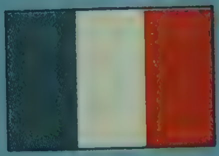

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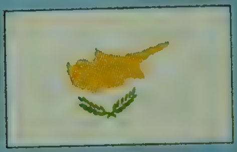

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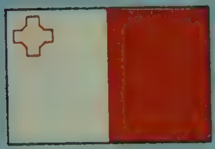

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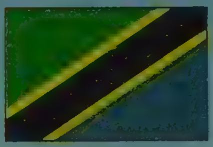

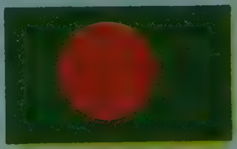

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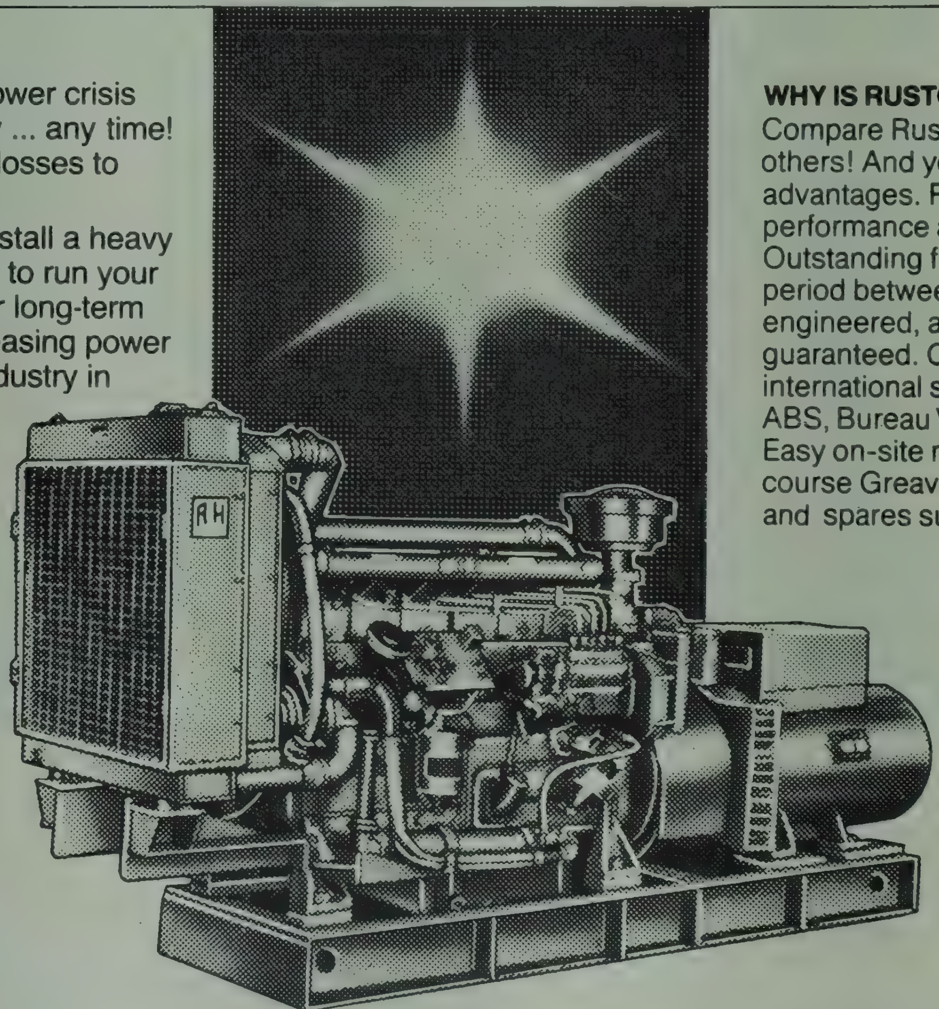

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Put together a civil servant, a telecommunications engineer, an executive from the public sector and another from ITC; shake up this motley crew for a year and what do you get? The answer surprisingly is — synergy. This is exactly what the maiden National Management Programme (NMP) had hoped to achieve over its 15 months of existence. And, despite considerable misgivings expressed in various quarters about the efficacy of the scheme, the first NMP ended successfully last month, having achieved most of its objectives.

The NMP embodies the new perspective of a common management pool of executives from all sectors (a modern version of the erstwhile Integrated Management Pool), and the dissolution of artificial barriers between the different sectors of our "mixed" economy.

The NMP was envisaged as an intensive management programme of 15 months (12 months on campus and three months of project work) for managers from government and both public and private sector. Meant for executives with a minimum of five years' experience and less than 35 years of age, the NMP is being conducted at the Management Development Institute (MDI) campus at Gurgaon.

The first course commenced on 1 July 1988 and ended on 29 September 1989. There were 40 participants in the first NMP, 20 from government, 19 from the public sector and one from the private sector. The schedule was demanding with participants working an average of nine to ten hours a day.

Barriers broken

Interacting and sharing experiences with managers from other sectors, resulted in the breaking down of the conventional "adverserial" barriers between government, public sector and the private sector. Traditional ideas, shibboleths, prejudices were all thrashed out, tested and accepted or rejected in intense group discussions and formal and informal meetings both in and outside the classroom.

Enterprise management was what the NMP sought to impart to the participants. Enterprise was conceived of in the broadest possible sense of producing and delivering goods or services to the consumer, be it a government department, a public sector unit, or a private firm. A concerted effort was made to try and change the thinking of the participants (especially in government) from that of an "administrator" to that of a "manager" — of resources, both men and material. It was stressed that managers, irrespective of their sphere of work, had to optimise the utilisation of resources since these were scarce in the national context.

To be an effective manager, however, one could not escape learning the basic inputs of managerial skills and techniques, just like in any other MBA programme. The NMP succeeded in making IAS officers with eight years' experience, struggle with and finally conquer subjects like quantitiative methods for management, management accounting, international finance and control systems.

Heavy programme

Management skills and techniques were imparted primarily by visiting faculty from XLRI and the four IIMs, all of which were interacting closely with the NMP in this programme. The academic load to be administered to the participants was, like the IIMs, rather heavy, and one question mark at the beginning of the programme, was whether executives with an average of eight years' work experience, would develop the motivation to put in nine to ten hours of hard work a day to acquire managerial skills. The answer was an unequivocal 'yes'.

The participants plunged in heart and soul into academics, albeit a trifle rustily in the beginning. The constant barrage of quizzes, tests, mid-term and final-term exams kept them on their toes. More than the grades, however, the stimulation of competition, of acquiring knowledge, of realising that this perhaps would be the only opportunity to 'learn' rather than 'work', got and kept them going.

One basic difference between the NMP and other conventional MBA programmes was, of course, the nature of the participants themselves. The NMP had, in its students, a wealth of experience — a combined total of 320 years from 40 participants. The academic curriculum, therefore, was specifically tailored to the requirements and experience of the participants where the emphasis was more on relevant rather than theoretical knowledge.

One particular course tailored to meet the participants' requirement was 'policy and environment'. This course enabled the participants to get to grips with and to understand how policy-making takes place in our complex environment. The focus here was on developing strategies to manage one's environment and how to negotiate with the various "players" in the policy framework. Specific sectors and issues were taken up for discussion — these included industrial and export policy, energy and ecology, population, etc. As an exercise, participants were asked to frame policies in the form of presentations to actual policy makers, who were invited for the occasion.

No real comparison

The inevitable comparison is often made between NMP and the MBA programme at the IIMs. Actually, there is no real comparison. While it will also give its students a post-graduate diploma in business management like the IIMs, a distinct advantage of the NMP is that it gets the cream of the faculties of the four IIMs, plus the ability to get the best faculty from anywhere else in India, be it the NITIE in Bombay or the Institute of Chartered Accountants of India.

Just like any new programme, the NMP has had its share of teething problems. Most of them, like the lack of a strong inhouse faculty base, are being remedied (the process of getting new faculty is underway).

The main question revolves around the quality of 'output' — ie, the students who, in this case, return to their respective organisations. This, however, can only be gauged on a long-term basis, by studying the contributions made by NMP alumni to their respective organisations.

Says Professor S.L. Rao, executive chairman of the NMP, "The skills and knowledge acquired during the programme could be put to great advantage in any job the participants return to. The main thing is that they have discovered that the manager does have a role to play in the larger scheme of things and in the national developmental scenario, even if it is a small part."

■ PARAMESHWARAN IYER

The author is an IAS officer who attended the recently concluded first NMP. He is currently posted in the ministry of textiles, New Delhi

IPCL

Ahead of the others

With the entry of a few large units, petrochemicals may soon turn into a buyers' market. With three crackers in their bag, Indian Petrochemicals Corporation appears to be much ahead of the others in the race

MGCC cracker: the first international size unit in India

Shankar Venkataraman, a young engineer with an MBA, works for the Baroda-based Indian Petrochemicals Corporation Ltd (IPCL) — the largest petrochemical company in the country. Venkataraman (not the real name) has made rapid progress in his career with IPCL — rising from management trainee to sales executive in just five years. But now he has a problem — an emerging company in the field has offered him almost twice the present pay for his services. He is in a dilemma, not being able to decide to leave the company he would "love to work for the rest of his life" but knowing his present company cannot match the offer he has received.

Venkataraman, is just one of a large group of people being lured by the mega money now offered by the new entrants in the petrochemical industry. And IPCL, being the largest source for trained manpower in petrochemicals, is at the receiving end. It has already lost 15 key persons to the two Ambani companies — Reliance Industries Ltd (RIL) and Reliance Petrochemicals Ltd (RPL). And S.K. Mukherjee director (personnel) of IPCL admits the possibility of losing more such people with the increased activity in the industry in the future.

But Mukherjee is unperturbed. "We are fully aware of the possibility of further brain drain, and we are prepared for it," says he. IPCL has embarked upon an intensive management training programme for its people at the supervisory category and above, to be fully equipped to replace any loss of senior persons. It has also doubled its outlay for the training programme to nearly Rs.80 lakh a year, this year onwards.

Mukherjee may not admit, but many in IPCL are worried. So far, most people IPCL lost are from the marketing side. And with their going, the company lost not only experienced persons but also substantial quantity of intricate market information on large number of products, gathered over a long period of time.

The flight of people to its rivals is probably only a small part of the challenge IPCL is likely to face in future. For two decades, it has been dominating the country's petrochemical industry like a giant and today accounts for 60 per cent of the country's ethylene capacity (the basic building block for a host of petrochemicals) and half of the plastics raw materials.

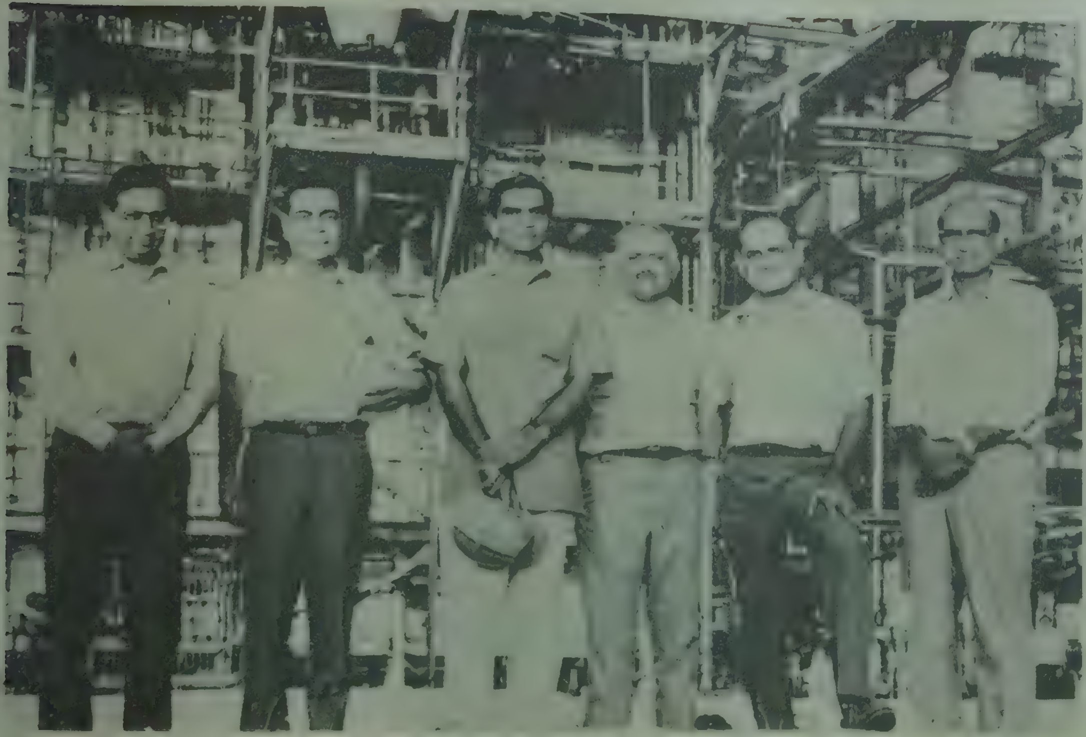
IPCL has grown considerably over the years. It is now a Rs.1,056 crore company (gross sales for 1988-89) with a gross capital base of Rs.1,700 crore. Its reserve and surplus has swelled to Rs.400 crore from Rs.22 crore 10 years ago and net profit to Rs.90 crore from Rs.5.7 crore (see table 1). A phenomenal growth by any standard!

Things, however, are changing and they are changing pretty fast. Lured by the high profits in the industry — almost all the petrochemical products in the country are in short supply in relation to demand — big houses have made a beeline for petrochemical licences. And the petrochemical bandwagon is getting thickly crowded. Besides IPCL's Gandhar (Gujarat) gas cracker, four other projects have already been cleared: Hazira — Reliance, Vizag — UB group, Auriya in UP — Gas Authority of India Ltd and Haldia — RPG and WB state government. Thus the ethylene capacity in the country is slated to go up to 2.3 million tonnes, ten times the present capacity of 231,000 tonnes. NOCIL's expansion plans have also been pending for long. "At last, the country seems to be taking a big leap in petrochemicals" says Hasmukh Shah, chairman and managing director of IPCL, "and there will be intense competition".

Hectic pace

But Shah is not taking any chances. To maintain its leading role in the industry, IPCL is expanding and diversifying at a hectic pace. "In the course of the next five years we will invest Rs.3,200 crore on new projects" says N. Chander, director (finance) of the company. IPCL's Rs.1400 crore Maharashtra Gas Cracker Complex (MGCC) at Nagothane is ready and may go on stream in the next two to three months. Last month, it also got the government's approval for setting up another gas cracker of 300,000 tonnes of ethylene capacity at Gandhar (Bharuch district, Gujarat). The foundation stone for the project has already been laid by the prime minister. In two years, its turnover will double to Rs.2,000 crore and in five years to Rs.3,500 crore and so would its profits in the same proportion, says the company's financial projections.

In fact IPCL has always been a profita-



IPCL team: popularising petrochemicals

Table 1

Performance over the years *(Rs. crore)*

Year	Sales	Gross block	Reserves & surplus	Profit after tax
1979-80	174.98	328.83	22.13	5.69
1983-84	480.72	466.30	194.28	31.13
1988-89	1,056.29	1,700.88	401.89	89.56

ble company. One major reason is it's large market shares (table 2). Besides, a sellers' market protected with high import duties have always been a bonanza for the petrochemicals companies in the country. Last year, for example, the total demand for plastic raw materials (which accounts for nearly two-thirds of the total petrochemical consumption) was about 700,000 tonnes. Domestic production was around 400,000 tonnes and the rest were met by imports. Such a large gap is coupled with high import duties (114 per cent in case of HDPE and 88.5 per cent plus auxiliary duty of Rs.2,600 a tonne for LDPE). The result: Indian companies including IPCL fix their prices to the extent the market can bear, allege plastic processors. "IPCL raised their LDPE prices with the increase in international prices and they continue to charge the same despite a fall in prices abroad" alleges Vijay Merchant, president, All India Plastic Manufacturers' Association. The company, however, vehemently refutes the charges. "We have never taken any undue advantage of a shortage situation in the past, nor will we, in the future," says Y.L. Pandya, group general manager (marketing).

However, the argument that IPCL's success was mainly due to its virtual monopoly over a highly protected market does not do full justice to IPCL's performance. In the late sixties, when the government realised the need for a large petrochemical plant, it did approach some large business houses in the country to put up the naphtha cracker at Baroda. But they all declined. Uncertain market for such large capacity plants and heavy investment (a Rs.400 crore project was very big those days) made it too risky a venture for the private industrialists.

So the government stepped in and IPCL was set up. As expected, the going was not easy. For every product, the company had to develop the market almost from the scratch, and had to carry huge stocks in the initial years. "Once, we had to carry stocks equivalent to a half year's production for polypropylene, then a virtually unknown product in the country," says B.D. Chatterjea, general manager for the company's polymer business group. "We had to build the market brick by brick to become the market leader," claims Shah while recapitulating IPCL's growth.

Others in the industry agree too. Says N.M. Dhuldhoya, managing director, Polyolefins Industries Ltd, the largest manufacturer of HDPE, "IPCL has done a great job in popularising plastics in the country". Anil Ambani of Reliance was even more effusive. "They are the catalyst for the growth of the industry in India," he said.

But will IPCL be able to maintain its leadership in future too? Shah and the rest of the people in the company are confident. In fact, in the immediate future its market share will go up significantly with the commissioning of MGCC (table 2). In 1991, when MGCC become fully operational, IPCL will account for 80 per cent of industry's ethylene capacity, 64 per cent of propylene, 70 per cent of the major plastic raw materials and 68 per cent of MEG, a raw material for making polyester fibres and yarns. It will however, lose its share in acrylic fibre and LAB while maintaining it in DMT/PTA, another major raw material for polyester.

The underlying assumption for such an exercise however is that, MGCC will have no technical snag and Reliance Petrochemcials Ltd's (RPL) 300,000 tonne Hazira complex will not be ready before 1992. Although Dhirubhai Ambani, chairman of RPL, claims that the downstream units at Hazira will be operational by the first quarter of 1991, every one in the industry feels that the claim is far fetched as even the groundwork at the site is not in full swing. Anil Ambani, however, maintains "we know what we are doing and we will keep the deadline".

More important is the fact that even with RPL's plant in action, by 1992, the market itself will grow big enough to accommodate all. While the ethylene production capacity in the country will go up nearly to a million tonne the requirement is expected to be about 10 to 15 per cent more. The competition is actually expected to hot up around the middle of nineties, as another one million tonne ethylene capacity is likely to be added by then, taking the total to more than two million tonnes (table 2). GAIL's Auriya, Vijay Mallya's Vizag and IPCL's Gandhar projects are the three crackers likely to start up around 1995.

Although the experts feel that the considerable potential demand for plastics and fibres will take care of such large capacities, no one can rule out a slip up somewhere. Specially in a commodity business like petrochemicals, where there is always a possibility of ups and downs. Only last year, international prices of most petrochemicals had flared up to unprece-

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Gangully: IPCL's capital cost is lowest

dented levels. Now, with the re-starting of some older units, the supply has improved and prices have come down. Of course, in India, the industry is well insulated from such fluctuations by higher duties but the question is how long it should be continued at the cost of the consumers. There is also a possibility that supply may far outstrip demand, as has already happened in polyester staple fibre and LAB. After a sudden build up of capacity in these two items, there is a glut in the market and the producers are having a tough time selling their goods.

IPCL is also preparing itself for such an eventuality, and on the present reckoning, looks like it will be better equipped than the others. In comparison to other units, IPCL's physical capacity of production will be more than double. With the expanded capacities, MGCC and Gandhar together will make 800,000 tonnes of ethylene. Along with Baroda, the IPCL capacity will go up to 950,000 tonnes as against maximum 400,000 tonnes of any other company.

Lower cost

From this will emanate several other advantages to IPCL, feels Subrata Gangully, managing director of Bombay-based ACC Ltd who, till March last year, headed IPCL as its chairman and managing director. According to Gangully, considered to be an authority on petrochemicals, IPCL's capital cost per tonne of ethylene will be much lower than the others. With Baroda's present gross block at Rs.500 crore, MGCC (with expansion) at Rs.1,500 crore and Gandhar at Rs.2,500 crore, IPCL's total capital cost for 950,000 tonnes of ethylene will be Rs.4,500 crore. Which means for each tonne, its capital cost will be Rs.47,000 or 25 per cent less than the Rs.62,500 per tonne, for a new 400,000 tonnes plant at Rs.2,500 crore.

Shah: "there will be intense competition"

"In a highly capital-intensive industry like petrochemicals, this kind of a difference in the cost of basic building block can be a critically decisive factor for the success or failure of a company", says Gangully. More so in a competitive situation when the margins are likely to be thin, feels J.J. Mehta, an ex CMD of IPCL and currently heading the committee on minimum economic scale for petrochemical plants formed by the government.

Private sector companies are naturally worried at IPCL amassing such a huge capacity. "It is unfair, when a public or private company is allowed to grow so big and the others are not," says a senior executive of one private sector company. But the government seems to be determined about IPCL's role. "IPCL has been a front

The plant, the products

IPCL's birth dates back to the late sixties when the government decided to set up an integrated petrochemicals plant for olefins and aromatics. Set up in Baroda (Gujarat), the plant used as basic feedstock the naphtha available at the nearby Koyali refinery. In the first phase, the aromatics units — xylenes (40,500 tonnes) and DMT (24,000 tonnes) — were commissioned. The bulk of the xylenes manufactured was paraxylene, which is later converted to DMT, the basic raw material for polyester.

In the second phase, the olefin complex was commissioned in 1978-79 and consisted of a naphtha cracker yielding the basic chemicals ethylene (143,000 tonnes), propylene (80,000 tonnes), butadine (22,000 tonnes) and benzene (23,000 tonnes). From these basic chemicals are obtained the major downstream products — low density polyethylene (LDPE), polypropylene (PP), polyvinyl chloride (PVC) (all raw materials for plastics), synthetic rubber and acrylic fibre, and chemical intermediates like ethylene glycol (EG), linear alkyl benzene (LAB) and mono ethylene glycol (MEG). While the DMT and xylene plants reached optimum levels of production quickly after their commissioning, the olefin complex took some time to stabilise its operations. Today, IPCL's Baroda complex has two mother aromatics and olefin plants and 17 downstream plants manufacturing about 32 chemicals.

First cracker. IPCL's MGCC at Nagothane (Maharashtra), scheduled to go on stream soon, will be the country's first gas cracker. It will produce 300,000 tonnes of ethylene (to be increased by another 100,000 tonnes later) and 60,000 tonnes of propylene. Downsteam products will be to the tune of 135,000 tonnes of LLDPE/HDPE, 80,000 tonnes of HDPE, 80,000 tonnes of LDPE, 50,000 tonnes of MEG and 60,000 tonnes of polypropylene.

IPCL has also recently obtained an approval for another cracker at Gandhar in Gujarat's Bharuch district with a capacity of 300,000 tonnes (expandable to 400,000 tonnes) per annum. Here, however, IPCL will set up the gas separation plant on its own. (It had a bad experience at MGCC where the project has been delayed because ONGC has not been able to complete the separation unit in time.) The downstream products planned at Gandhar are PVC (150,000 tonnes), MEG (120,000 tonnes) and a range of alpha olefin products like alcohol ethoxylates (100,000 tonnes) and detergent plasticiser alcohol (100,000 tonnes).

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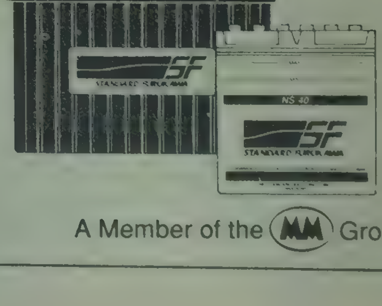


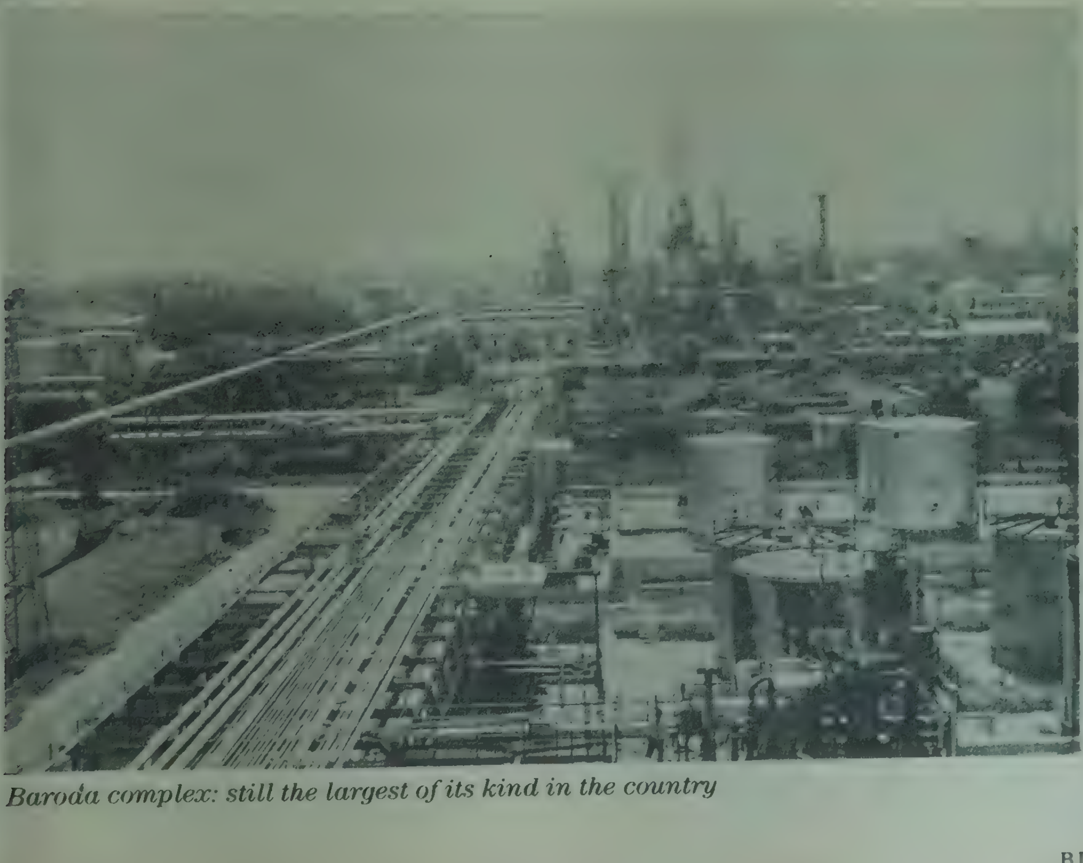
CHAITRA-B SBL 34

A Member of the MM Group

runner in the industry and it should continue to be one in future," argues M.S. Gill, secretary, department of petrochemicals, in the ministry of chemicals and petrochemicals.

IPCL will also have the widest product range. At Baroda, it already makes 30 products and after MGCC and Gandhar are on stream, the range will go up at least to 40, says Pandya. As against this, the competitors may have products ranging between seven and fifteen. This naturally, will provide IPCL greater insulation in competition than the others. Besides, being in the field for the last 15 years, IPCL already has a country-wide marketing network and this, in turn, should enable them to sell larger volumes and wider ranges, easier than the others.

Another big advantage IPCL has, is in the schedule of completion of its projects. MGCC will be fully operational in 1990 and will have a clear two years' lead over the next large project of RPL. Technically MGCC's downstream units as well as the cracker is fully ready (polypropylene plant already had its trial run last June with the propylene brought from Baroda). But it could not start up the trial because of the delay in commissioning ONGC's gas seperation plant, which will supply the feed gas. In the case of Gandhar too, which is likely to be on stream in 1994, IPCL hopes to have a lead time over the next batch of crackers. Gill also agrees. "With its experience and financial strength, it should be much ahead of the others," says he.



Baroda complex: still the largest of its kind in the country

Table 2

IPCL's share of the industry's total installed capacity

('000 tonnes)

Products	Capacity 1988-89			Capacity 1991			Capacity 1995		
	Industry	IPCL	IPCL share (%)	Industry	IPCL	IPCL share (%)	Industry	IPCL	IPCL share (%)
Basic Chemicals									
Ethylene	231	130	56	531	430	81	2,161	830	38
Propylene	164	81	50	229	146	64	798	173	21
Butadiene	54	22	40	54	22	40	118	22	19
Plastics									
HDPE	50	Nil	Nil	120	55	46	380	130	34
LDPE	112	80	71	192	160	83	292	160	55
LLDPE	Nil	Nil	Nil	80	80	100	180	80	44
PP	55	55	100	115	115	100	350	150	43
PVC	164	55	34	164	55	33	864	205	24
Sub total for Plastics	**381**	**190**	**50**	**671**	**465**	**70**	**2,066**	**725**	**35**
Fibres and Chemical Intermediates									
Acrylic fibre	36	24	67	60	24	40	84	24	29
Caprolactum	20	Nil	Nil	70	Nil	Nil	120	Nil	Nil
DMT/PTA	235	30	13	235	30	13	775	30	4
LAB	150	30	20	164	44	27	284	44	15
MEG	43	13	30	93	63	68	328	115	35

Note: 1995 capacity based on all new projects cleared till date

A clear lead time gives a company a better muscle power in two ways. First it reaches out to the market ahead of its competitors and its cost of production comes down with lower depreciation. (More so for capital intensive projects.) Generally, old units do suffer from technical obsolescence and inefficient production process, but in petrochemicals, the basic process technology does not change that fast. What changes rapidly is the use of catalytic agents, responsible for reactions, and most plants have the flexibility to adapt to newer catalysts.

That is why although MGCC's technology is four years old it is still the state of the art, argues G.R. Kulkarni, an expert in petrochemical technology who has spent twenty years with Shell and NOCIL. At Baroda too, IPCL is continuously upgrading its technology and revamping the capacities. It has already increased its DMT and xylene capacities by revamping. It also has plans to renovate the butadine extraction and PBR production facilities and set up a completely new 60,000 tonnes PP plant at Baroda.

Dependence to be reduced

IPCL has also taken a calculated decision to reduce its dependence on common commodity petrochemicals by diversifying into speciality chemicals where competition will be far less. At MGCC, it has put up a swing plant for the first time in the country, to produce 135,000 tonnes of linear low density polyethylene (LLDPE) and HDPE. LLDPE is a new polymer in the country but by market-seeding through imports, IPCL has already raised its consumption to 48,000 tonnes a year, just in two years time. In the initial years, MGCC will make more of HDPE and concentrate on LLDPE when the demand picks up. Alpha olefins (AO) is another speciality group of chemicals IPCL plans to make at Gandhar for the first time in the country (Godrej's proposed plant is vegetable oil-based). Its main usage will be in detergent-making as an active matter replacing LAB. In terms of washing capacity, bio-degradability and friendliness to human skin, AO is considered to be much superior to LAB and therefore widely used abroad in detergents and also in toilet soaps.

IPCL is toying with the idea of entering engineering plastics in a big way. It has already signed an MoU with General Electrical Plastics (GEP), a Dutch subsidiary of General Electric USA, a world leader in engineering plastics, for a possible joint venture project in India. The project is to be implemented in phases. In the first phase, IPCL will market imported material from GEP, set up an application development centre and a compounding line for making alloys and blends.

All these will require an investment of Rs.80 crore. "The marketing of the imported product has already started, and in 1988, sales have reached 500 tonnes, double the quantity of the previous year," says Sarup Chowdhary, general manager (engineering plastics). In phase II, a joint venture will be set up to produce 15,000 tonnes each of polycarbonates and modified PPO (polyphenyl oxide) at a cost of Rs.520 crore.

These are two of the top five engineering plastics in the world and are very high value added products (eight to ten times costlier than commodity plastics). Once again, as the present market is small, IPCL is developing it through import and application development. It will go for manufacturing, may be in three years from now. "We hope the market, by then, will grow at least to 12,000 tonnes or Rs.300 crore," says Chowdhary. Components for telecom equipments, xerox machines, electronic typewriters, computers and automobiles are the major applications for engineering plastics.

On its own strength

All together, IPCL will be investing Rs.3200 crore, for various projects (excluding Rs.520 crore for engineering plastics) in the course of next five years. Interestingly, this entire sum will be raised by IPCL itself on its own strength. "We shall not ask for a single rupee as budgetary support from the government," says Chander proudly. The action plan is as follows: Rs.1,325 crore or 40 per cent will be internal generation from the company, Rs.600 crore will be raised through the issue of bonds and debentures and Rs.900 crore will be borrowed as foreign currency loans from international financial institutions.

Pandya: "we have not taken advantage"

Chander: self-sufficient

Mukherjee: unperturbed

In terms of long term financing plan too, this investment programme fits well. Had IPCL not launched Gandhar, by 1993-94 the tax burden on the company would have been to the tune of Rs.250 crore on an expected turnover of Rs.2,500 crore. "Saving of this much money in one year will enable us to borrow another Rs.500 crore (on a debt to equity norm of 2:1) and thus have Rs.750 crore available for investment," says Chander who now works overtime to keep up with the frenzied activity of the company for its new projects.

Clearly, the mood at IPCL's corporate head office at Baroda today is upbeat, after it wrested the Gandhar project. And there are reasons to be. In the last three years, it staked its claim for at least three new projects without any luck. At Saleempur aromatics and Auriya cracker, IPCL was eased out at the last moment when it was almost certain to get them. In retrospect, Shah feels that the Gandhar project will fit even better in its future plans. Since it is only about 120 km from its corporate head office at Baroda, the coordination of the project work will be easier and faster. More important, in future, Gandhar will be linked with the Baroda complex through pipelines which will optimise the capacity utilisation of the downstream units at both the plants and provide better flexibility in operations and maintenance of the plants.

Better placed

Clearly, on every count, IPCL appears to be better placed today to face the impending competition. "No one will be able to offer a better product or better terms," says Shah confidently, "if free and fair market forces are allowed to operate." But this, however, is a major grey area for IPCL, where they can do very little. With the new entrants like Ambanis, Oswals, Mallyas and Muthaias, there will be pressures on IPCL from top to compromise on price and production if the going gets tough for the others.

It has already happened in case of LAB after plants of RIL and Tamil Nadu Petrochemicals Ltd (TPL jointly owned by the Muthaias and TN government) went on stream last year. In one shot, the supply went up to 150,000 tonnes from 30,000 tonnes produced by IPCL alone and there was a glut in the market. Being new units, RIL and TPL could not match IPCL's price. "So orders came from Delhi to raise our price" says an IPCL senior official.

And today IPCL's price of LAB in its own state Gujarat is five per cent more than the other two who supply from Maharashtra and Tamil Nadu. The 8.5 point difference in Gujarat state's sales tax (applicable only to IPCL) and central sales tax (applicable to RIL and TPL) worked against IPCL as it raised the price. As a result, IPCL almost entirely lost out the largest LAB market (Gujarat accounted for 60 per cent of the country's 120,000 tonnes LAB consumption) which it was catering to, for more than a decade now.

The seriousness of the problem can be gauged from the fact that IPCL's LAB plant is shut down due to fire since March this year; yet it took them eight long months to clearout a stock of 11,000 tonnes of LAB. Ironically, the fact that the plant was shut down proved to be lucky this time. But more such meddlings from Delhi may seriously affect IPCL's economic performance as it may have to subsidise more private sector companies in future than it is doing today. Gill, however maintained that this is not true. "We (the government) have never compromised IPCL's interest in the past and do not intend to do so in future," says he.

■ DILIP MAITRA
with reports from ANOOP SAXENA in New Delhi

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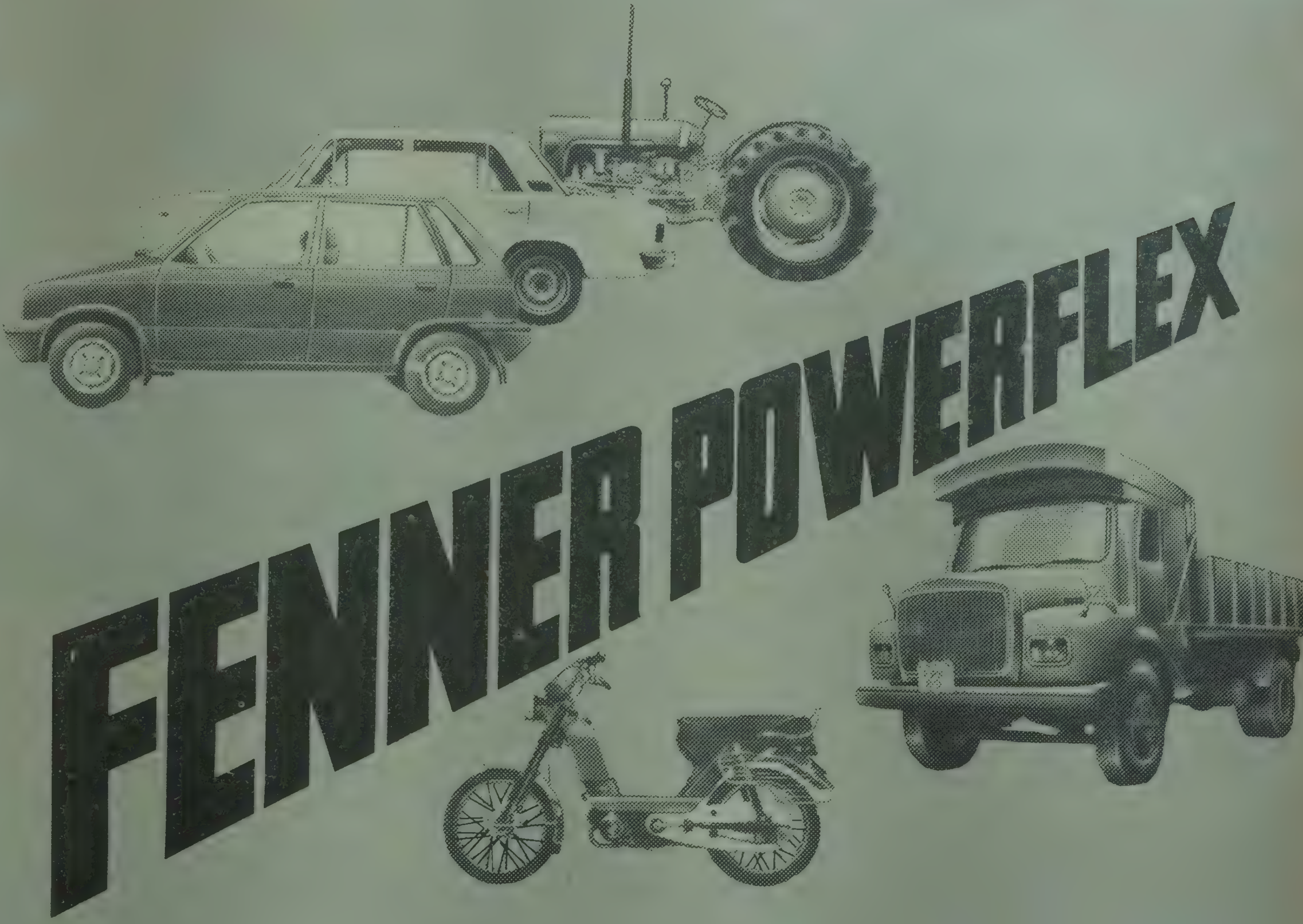

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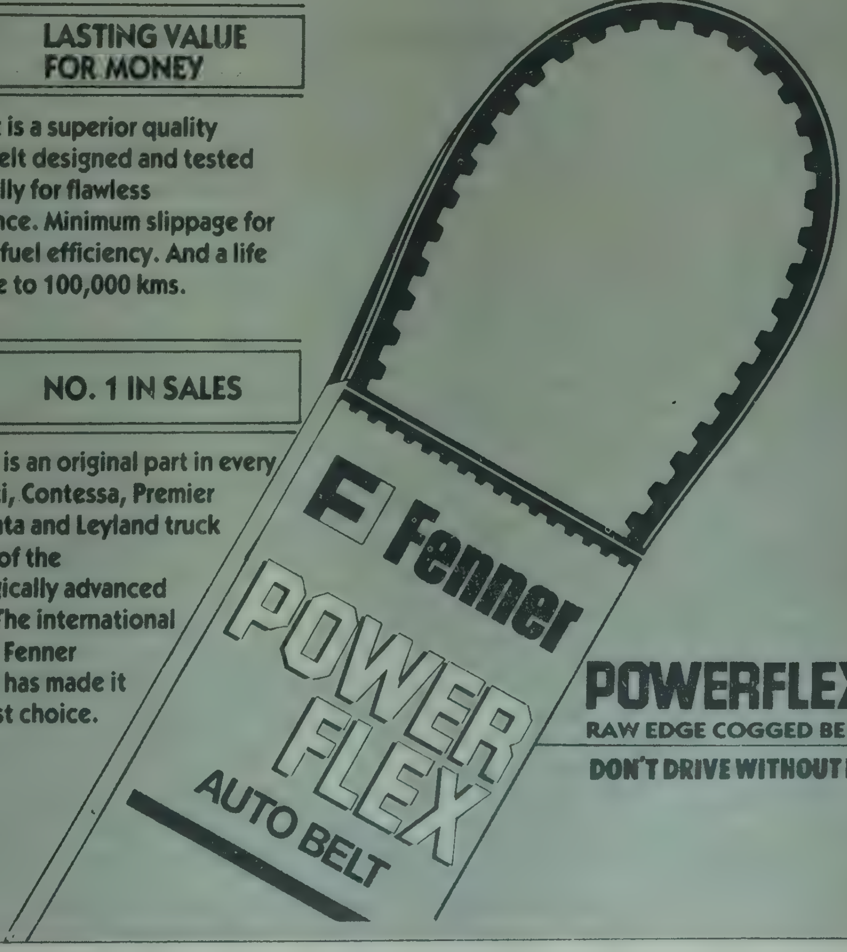

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ET&T

Introducing the "people's PC"

Now that the long awaited new product, a low cost PC, has been announced, this public sector company is going into other areas — in products as well as services

Agarwal: offering low cost PC

The Electronics Trade & Technology Development Corporation (ET&T) has finally announced its long-awaited product, a personal computer (PC) with a base price of Rs.11,000, Rs 1,000 higher than promised earlier. And with optional add-ons, the largest of the four planned models will cost as much as Rs 26,000. Whatever happened to the prototype costing around Rs 5,000, developed by the Electronics Research and Development Centre at Trivandrum, and announced by K.P.P. Nambiar, secretary in the department of electronics (DoE), at a press conference in the capital last December?

P.S. Deodhar, chairman of ET&T, and the corporation's new managing director, Gautam Soni, explain that this "marginal" increase in the cost of the low-cost PC is because of the increases in both duty and dollar prices since the first calculations were made. Deodhar says, "The earlier calculation was made on the basis of total duty exemption on component imports. We are not asking for any such concessions; we want to bring in a product that can compete with existing manufacturers on their own terms."

Scaled down

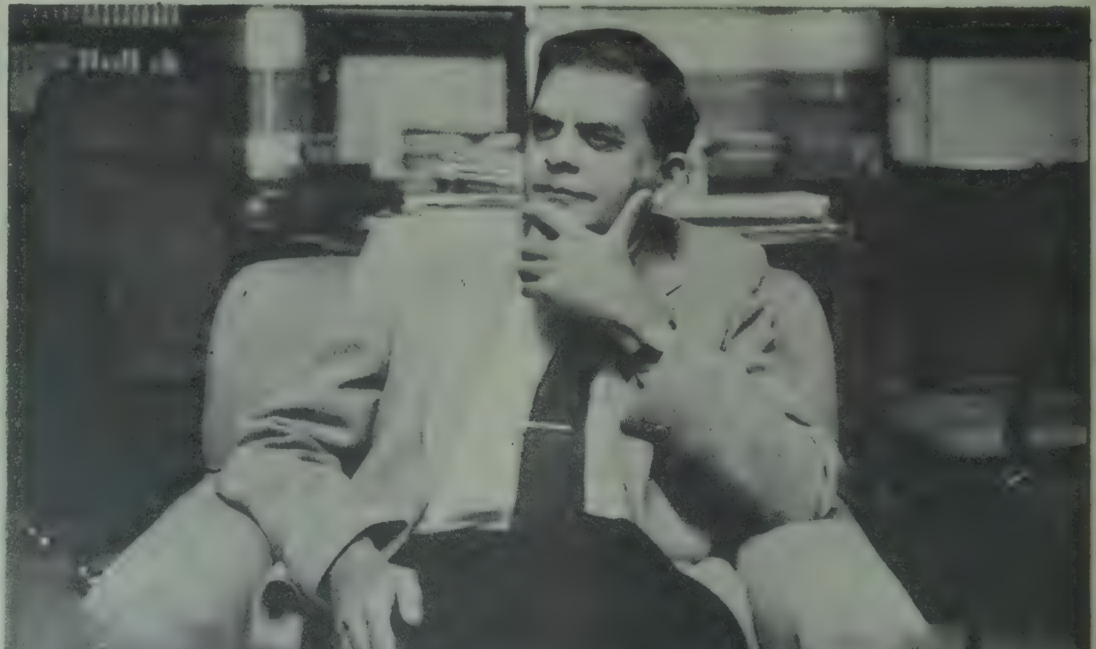
In May, Deodhar had given the press details of the corporation's plans to produce 200,000 IBM-compatible PCs a year, through the electronics development corporations of Uttar Pradesh (UPTRON), Maharashtra (MELTRON), Tamil Nadu (ELCOT) and Punjab (ESPL). The number has now been scaled down to 100,000 because "making 200,000, does not offer any special economy of scale beyond what is obtainable for 100,000". Even this volume, he points out, is going to open out the market phenomenally, considering that the country's entire production last year was only 61,000, of which the unquestioned market leader, HCL, accounted for only 8,000.

Electronic Systems Punjab Ltd (ESPL), which is partnering ET&T in this move to take PCs to the people, has already begun production of the new hardware at its new plant in Chandigarh. According to its managing director, S.S. Agarwal, it has, so far, made 1,000 of the low-cost PCs, and is all set to go on full stream after the formal inauguration in November. ESPL will sell half the first year's targetted production of 50,000 PCs directly, while ET&T will market the rest.

The new PC, Agarwal explains, will have a three-piece modular design: processor, monitor and keyboard, working on an Intel 8088-2 microprocessor with a 256 kilobyte (KB) memory and a five-and-a-quarter-inch floppy disc drive. This is the basic PC. It is expandable to 640 KB at additional cost. Another model offers an additional floppy and yet another a hard disc drive, making it a PC XT. The entire range will thus have four models, and a fifth with the option of a colour monitor.

Will the new PC really take the bottom out of the existing market? Agarwal says, "Yes!" He is confident that, by the beginning of 1990, the other manufacturers will have to cut their prices to within a couple of thousands of the ESPL-ET&T computer. Soni points out that a downward spiral effect has already begun, following the announcement by ESPL at the Computer Society of India exhibition in Bangalore. Deodhar, however, is confident that the industry will not suffer — in fact, it will get healthier. With more people being able to afford computers, the market will expand manifold, and manufacturers will make up on software and support what they lose on hardware.

Shiv Nadar, chairman of HCL, is sceptical of ET&T's ability to live up to the promise it has made. "It is possible to reduce prices gradually, over a period. But you cannot start by launching a low-cost PC" he says. Another HCL executive agrees



Deodhar: the force behind the success

with this, but admits that the private sector manufacturers stand to lose a major chunk of their business, especially with the price-conscious public sector buyers, if the low-cost PC is actually launched.

"Not a home computer!"

B.K. Modi, chairman of Modi Olivetti, the newest entrant in the field, agrees: "A PC is not a home computer! I can also give you a computer for Rs 10,000, maybe even Rs 5,000; but what can you do with it? What the customer needs is solutions, not just boxes." Says E. Silvestri, the Italian collaborator's resident director, "Just the cost of quality tested components is too high to let anybody make a PC at such a low cost. And if you add on the cost of building an infrastructure to ensure rigid quality standards, there is no way you can make a product which will last."

Agarwal, however, insists that they are not just capable of doing it — they have actually done it. And their low-cost PC has been tested and passed by the Electronics Research and Development Laboratory in Calcutta. It is the very size of the ESPL facility that has made it possible, he explains. "Obviously, when you are making only 10,000 units your costs are much higher. But when you make five times that number, your purchasing power increases that much more."

Also, he says, a lot of unnecessary parts have been eliminated: for example, the main board normally has eight slots which are unused, so the new PC will have only three, and the chassis is much smaller too. The normal power supply of 150 watts is also no longer needed with microminiaturisation, and their PC is wired for only 90 watts. The import component is just 40 per cent including duty, which works out to 120 dollars. "We can even compete with Taiwan for exports!" says Agarwal.

Deodhar explains that there were three possible ways to ensure that people get computers at a low cost — motivating the government to reduce taxes and duties, getting subsidies, or pushing down manufacturing and conversion costs by using "big buyer muscle". Agarwal says, "I chose the last option, because it is easier than persuading the government to anything." Agarwal, Deodhar and Soni are all clear that their target customer is the individual professional — engineer, doctor, journalist or chartered accountant. And this customer, they point out, needs only a very basic aid which can, nonetheless, be upgraded as their requirements increase.

Soni explains that ET&T has already tied up with the National Institute of Information Technology (NIIT), Apple and Datapro to run training courses on how to use the new computer. For maintenance and service, he says, it aims to have 50 centres all over India, of which over a dozen have been set up so far. "We will be doing a lot of hand holding, and will offer MS-DOS and very cheap software packages for individual needs; but no free pirated software like some others do, because we are not in that kind of business."

Why ESPL? "Because they came forward to join us in this scheme, and they are trusted suppliers," says Deodhar. According to Agarwal, the department of electronics (DoE) invited quotations, and "we were the first to offer to supply the systems". He gives all credit to Deodhar, who, he says, is the force behind the success of the project — on which ET&T and ESPL have been working together since January 1989.

Catalysing agency

ET&T, set up in 1974 as a public sector undertaking under the administrative control of the DoE, identifies itself as the "corporation for consumer care". As the premier catalysing agency for electronics in India, it has set for itself, the task of ensuring widespread availability and usage of electronics and services, supporting the industry with contemporary technology, materials and training inputs, and ensuring value for money to the ultimate end-user. The corporation has set up a development centre in Bombay with facilities for product design and prototype development, to which new equipment will be added, to keep pace with contemporary technology advances in the field of electronics.

The company had projected a turnover of Rs.125 crore in 1988-89 of which, however, it achieved only Rs 104 crore. According to Deodhar, this is because the sale of television tubes fell, due to uncompetitive prices. Deodhar, nevertheless, feels that ET&T can become a Rs 600-crore company: the planned 100,000 PCs alone, at an average price of Rs 15,000, would account for over Rs 150 crore in sales, he points out.

Part of the DoE's investment of Rs.39 crore under applications development was to strengthen ET&T's trade and technology areas by augmenting its various schemes like providing MTB (material, technology, brand-name) to other licensed manufacturers for portable black-and-white (B&W) television sets, and *Margdarshan* — a tele-teach programme with over 500 educational titles, priced at Rs.75 for each video cassette. "And this is with no government concession; we can even push it down to Rs 50," Deodhar claims. The scope of the *Margdarshan* programmes will also be expanded to cover various government agencies' social and educational activities.

It also plans to introduce a new TV-cum-video cassette player (VCP) priced at Rs. 15,600, mainly to equip the community video centres in rural areas.

The MTB programme provides manufacturing units throughout the country with a comprehensive service package: 100 per

Quality control and testing at ESPL: ensuring high standards

Nagarjuna Fertilizers and Chemicals Limited

RACING AHEAD WITH IMPLEMENTATION

(Speech delivered by Shri Mantosh Sondhi, Chairman, at the 13th Annual General Meeting of the Company held at Hyderabad, on 13th September, 1989)

Ladies and Gentlemen,

I have pleasure in welcoming you to the 13th Annual General Meeting of the Company.

The annual general meeting is always an appropriate occasion to take a brief look at the state of our economy with particular reference to the situation of the fertilizer industry in that setting. Such a survey assumes additional significance in the context of the fact that the country is now at the threshold of the Eighth Five Year Plan.

Economic Scene

It may be recalled that even during one of the worst droughts of the century in 1987-1988, the fall in agricultural production was only about 2%. This was essentially due to the higher resilience that our agriculture has developed through the application of improved technologies to farm production.

Emerging from such a catastrophic situation the country registered a growth of 9% in GDP last year which is no mean achievement indicative of the basic strengths in our economic system. Aided by good monsoons, both agricultural and industrial production achieved high growth rates.

For a country that produced about 120 million MT of food grains only a few years ago, it is indeed a creditable achievement to have reached a production level of 170 million MT during 1988-89. We must, however, guard ourselves against any sense of complacency and proceed with unsparing efforts towards a target of 250 million MT by the turn of the century to feed our growing population. As it was once said, so pithily, we have to keep running even to be able to stay where we are.

Reports have recently appeared in the press that the draft approach paper for the Eighth Five Year Plan envisages a growth rate of 6% p.a. Well targeted efforts carried out with missionary zeal can put this goal within our reach. In a developing economy the sustenance for growth can be derived only from better management and efficiency at the macro and micro levels. At the micro level, the industry – be it the public or the private sector, because these really constitute the national sector – cannot escape responsibility for maintaining a continuously rising level of productivity to fuel further growth specially in a developing economy where incomes are hardly above the subsistence level. At the macro level, the Government must provide the necessary policy and procedural support congenial for implementation and timely completion of new projects and for industrial production to continuously expand and diversify.

Fertilizer Industry

Against this background, I am glad to say that the record of the fertilizer industry in discharging its socio-economic responsibilities has been creditable as evident from the growth of production from a bare 3 million MT of nutrients in 1979-80 to 9 million MT in 1988-89 which it has achieved not only through setting up new production units but also by raising the capacity utilisation from 67% for Nitrogen and 69% for P_2O_5 at the beginning of this decade to 85% and 87% respectively. The fertilizer industry has shown awareness of its strategic role in sustaining growth in agricultural production which is the very foundation of our economic progress.

Fertilizer being a critical input for self-sufficiency in food, the importance of our country attaining a high degree of self-reliance in the sector cannot be over-emphasised even if the demand-supply balance for fertilizer were to be easy in the international market.

Self-reliance assumes criticality when we know that demand-supply balance in the next few years is difficult and is likely to cause difficulties in our ability to meet a short-fall of approximately 5 million MT of nitrogenous and phosphatic fertilizer materials by the mid-nineties unless the contemplated addition to capacity during the Eighth Five Year Plan actually fructifies.

Marketing Operations

I may now turn to your Company's performance and before dealing with the progress achieved in regard to implementation of the Project, I could mention briefly the success achieved on the marketing front.

The volume of urea sales during the year 1988-89 registered a 35% growth compared to the previous year. The turnover rose from Rs. 33.33 crores to Rs. 44.74 crores.

Profit before taxation increased from Rs. 83.74 lakhs in the previous year to Rs. 95.05 lakhs in the year under review without taking into account any reimbursement from the Government for the cost of carrying the stocks imported prior to the introduction of the system of periodical compensation of inventory carrying costs. An ad hoc ex-gratia payment had been granted by the Government for 1987-88 in respect of these earlier imports, but the Company's representation for the year under review is still pending before the Government.

With the virtual discontinuance of imports and freezing of imported stocks, the market situation showed some improvement but the continued high availability of indigenous stocks kept the prices depressed. Your Company has, however, been able to maintain profitability at a reasonable level through close monitoring of operations and control of costs. With the improvement in market conditions, the Company is confident of registering higher profits in the current year and the results achieved so far justify this confidence.

NAGARJUNA urea which is already a favourite with the farmers in Andhra Pradesh has received good response from Orissa and Madhya Pradesh as well. The product has been distributed through 1,700 village retailers.

NFCL

The widespread nature of the distribution network will be borne out by the fact that there has been a 40% increase in the activity of the Company's small distributors during the year 1988-89 as compared to the previous year.

Your Company has extended its activity in the handling and distribution of imported DAP which, being a phosphatic fertilizer, is a useful companion for urea. The introduction of "NAGARJUNA" DAP has been well received in the market. This should enable your Company to continue to handle imported DAP even after the Company commences commercial production of urea at Kakinada.

Project Implementation

I would now like to give you a bird's eyeview of the all-important business of project implementation.

At the EGM held recently in April 1989, the members had been apprised of the ambitious target the Management has set for itself for commencement of commercial production by mid-1991, which is 33 months from the 'zero date' against 39 to 42 months which is an accepted norm judging by the experience of well-executed projects of this dimension in the recent past.

Your Management has taken up this challenge in right earnest.

Detailed engineering work is progressing apace along with procurement and construction activities.

Orders for most of the plant and machinery and critical packages have been placed and commitments for an aggregate amount of Rs. 394 crores have already been made. Ordering of the remaining plant and machinery will be completed by the end of 1989. An amount of Rs. 156 crores has already been spent on the Project upto 31st August, 1989.

Contracts for most of the civil construction works have been awarded and construction work at the Project Site is in full swing.

Tenders for mechanical erection have also been floated.

Completion of infrastructural facilities like construction power and water distribution system was reported by me last time. Casting and driving of piles in the Plant area are nearing completion.

The State Government is also taking steps to have the pipeline from Samalkot to the Project Site laid expeditiously to complete arrangements for permanent water supply required for operational purposes. Adequate steps have already been taken to implement the master plan, developed with the guidance of eminent experts, for the protection of the environment from air, ground and water pollution. Senior officials from the Department of Environment, Government of India, who have recently visited the Project Site have commended your Company's commitment towards the preservation of ecology.

Several of the buildings and structures in the Plant area have come up to the roof level.

Natural Gas

As you are aware, originally the planning of this Project was based on naphtha as the feed stock to be switched over to natural gas when it became available. It is really fortunate that your Company has now been assured of supply of natural gas from nearby Krishna-Godavari basin. The availability of natural gas right from the inception will ensure operational efficiency and troublefree production performance. The contract with ONGC for supply of natural gas is under finalisation.

Fertilizer Pricing Policy

Whilst I am glad to say that the Company has made substantial progress, I may refer to a development which causes me a great deal of concern. The retention pricing formula revised by the Government of India effective 1st April, 1988 will have a very serious adverse impact on the profitability of new fertilizer units. Your Company has already represented to the Government about the imperative need to modify the pricing formula taking into account the requirements of viability of new projects and your Directors are confident that the formula would be suitably modified in the very near future. This is a very basic issue for the survival of the fertilizer industry.

Public Issue

Your Directors are aware of the optimism prevailing in the capital market.

With good monsoons in two successive years and favoureble economic conditions, it is expected that the positive sentiment will continue to prevail and even improve further. Against this background and having regard to the factors specially relating to the fertiliser industry, your Company proposes to enter the capital market nearer April/ May, 1990.

Conclusion

In conclusion, I would like to say that I had the opportunity of visiting together with Shri KVK Raju, Managing Director and Shri Paul Pothen, Technical Advisor, the Project Site yesterday, the 12th September, 1989.

Having thus made an on-the-spot assessment of the latest position of the construction and related activities, my colleagues and I have returned with the confidence that the work on the Project is progressing well and that the Management is taking all steps necessary to achieve the challenging target of commencing commercial production by the middle of 1991.

We feel that with your continued support and understanding, the Company will succeed in this attempt and thus make up a part of the time which was lost earlier due to circumstances which were beyond its control.

Finally, may I say how appreciative I am of the hard and dedicated work being put in by employees at all levels for the speedy implementation of the Project. I would also like to record my sincere thanks to my colleagues on the Board for the cooperation and assistance I have received from them. It is my pleasant duty to thank the Government of India, the Government of Andhra Pradesh, the Financial Institutions, the Banks and Krishak Bharati Cooperative Limited and other promoter shareholders for their valued support and cooperation.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

Imageads-NFL-89389

ESPL: pitched in at the right time

cent material, technology for conversion into a cost-effective package, rigid quality inspections and nation-wide advertising. It currently covers only two products — portable 14-inch B&W television sets, which today enjoy the highest market share in this segment, and 20-inch colour television (CTV) sets.

The corporation's first activity, this has had what its chairman describes as "reasonable success", which could have been much better if not for the "limited skills available, and the government's general apathy towards strengthening the organisation". Many more (B&W) sets could have been sold if ET&T had been more efficient in making supplies to its MTB partners on a regular basis; also no marketing support was provided for CTVs though this was charged for, he says.

According to Soni, only 40 to 50 of the 150 MTB partners are regular and account for about 80 per cent of the business under this programme; the rest are sporadic.

Nobody appears to have put a finger on the reason for the current recession in the television industry. Deodhar, who thinks sales have actually fallen even more than the manufacturers claim, says there is a lesson in this for the government: a well thought out taxation policy is essential. "I had warned that increasing the duty will cause a drop in revenue — and it is happening," he says. Pointing out that the fixed duty is unfair to buyers of low-cost sets, who have to pay the same as those who buy expensive ones, he says the duty structure must be an instrument of market development and control, "not a mere mathematical exercise".

It is a cut-throat market now, Soni points out. A lot of smaller manufacturers are dropping out, especially the really small ones who are worst hit by the recession. This is one reason why ET&T is concentrating more on professional equipment, he explains.

But all of them — Deodhar and other TV manufacturers and dealers — are optimistic about the future of the industry. According to Sonu Mirchandani, managing director of the Onida group, India is fast catching up with the rest of the world where television has been around for much longer. His company is now diversifying backward, from colour to black-and-white. "We took a conscious decision to attack a particular market segment and establish our own niche before launching anything else. But ET&T has its own role to play, and it has done very well," he says.

New products

The corporation's stated aims include bringing other products like plain paper copiers (PPCs) and VCRs also, under the purview of the MTB scheme. But, according to Deodhar, after thorough market research, ET&T feels that it may not be able to handle PPCs, considering the current policy on this industry. It is, however, going ahead with its proposed Rs 55-crore VCR/VCP unit, which it will set up near Agra in Uttar Pradesh after it gets the necessary licence.

Another new scheme launched by ET&T is project ESSO — electronic sales support organisation — for the export of electronic products to the US. Indian manufacturers joining the scheme are offered shipping, warehousing and marketing facilities, as well as a fully furnished office with telephones, telex, fax, copiers, audiovisual aids and secretarial services. ESSO costs its members 5 per cent of the minimum export price, plus 3 per cent of what is actually realised; if the goods are unsold, they are returned after a 12-month period and a service charge of five per cent is levied.

The major advantage of ESSO is that exporters need pay for all this only in Indian rupees; in addition, they can get their invoices discounted by banks, and avail of full post-shipment credit at an interest of just 9.5 per cent for the first six months and 16.5 per cent for the rest of the year. "We are making efforts to get you 9.5 per cent for the entire year," says ET&T's full-colour brochure on project ESSO.

But the programme, though operational, is "not even a half-hearted effort", Deodhar admits. Even the catalogue has not been printed, and the reporting systems are very weak. ET&T and its owner, the government, will have to wake up to the fact that this is a neglected baby which is not doing well.

Inventory problem

ET&T has also begun marketing a teletext decoder, costing Rs 3,500, to help TV owners get information on the availability of railway reservations, airline time tables, train and flight arrival and departure delays, foreign exchange rates, stock market quotations and current news. The decoder, using signals transmitted by Doordarshan in collaboration with the National Informatics Centre and ET&T, is operated to bring the information on to the screen of a normal TV set.

However, ET&T is facing a serious inventory problem. Inventory, including TV components bought under the MTB scheme and decoders for the teletext programme stands at almost Rs.37 crore.

ET&T had imported 10,000 decoders at a cost of Rs.2 crore in 1987. The information and broadcasting ministry had, in fact, asked for 40,000 decoders in the hope that the teletext programme world catch people's fancy. But, it happened otherwise, and how ET&T has been forced to consider the option of exporting these decoders. A deal, however, is still to be finalised.

Another area on which Soni is concentrating is quality control. ET&T is setting up a major facility to ensure that strict standards are maintained by all its manufacturers. He also plans to expand the marketing network in India, and to cover Los Angeles, New York, London and the FRG, to add to its existing office in California.

■ SEKHAR SESHAN

RUSODAY & COMPANY

Getting rich quick

The promoters take over a small, unsuccessful company and find shortcuts to public funds through loopholes in the law

Rusoday & Company which opened its doors to the public in the first week of October 1989, was welcomed by the investing community. The share issue, according to a spokesman from PNB Capital Services, managers to the issue, was oversubscribed 22 times.

In these days when oversubscriptions are commonplace enough, probably Rusoday's success in the stockmarkets is no shakes. But if one were to examine the company, which has no real track record, many questions would immediately pop up. Is the company worth such investor confidence? Has the company projected itself and its abilities correctly ? And will Rusoday be able to fulfill its objectives? A first reading of the company's prospectus paints a quite rosy picture of the company's performance. As a broker of the Bombay Stock Exchange puts it, "The glitter of diamonds has attracted the investors and hardly any of them must have looked carefully at the prospectus."

Little business

Various announcements made by the company in leading newspapers and the prospectus stated that Rusoday & Company was incorporated in 1985 as Rusoday Trading & Finance Company by the Kilachand group, with an equity of Rs.24 lakh. "The company then did not do much business except invest its funds in low yield, tax free bonds," says R.R. Kanoongo, director, Olympia Business Services — one of the managers to the issue — and a partner in the firm of auditors of the company.

With the company making meagre profits — an average of Rs.30,000 per annum — the Kilachand management attempted to voluntarily liquidate it on 11 October 1988. However, this move was thwarted by a permanent stay by the Bombay high court on 16 February 1989. Soon after, it was bought over by the present management at a price that it does not wish to reveal. "The present management has been smart in taking the company over. It was there for the asking," says Kanoongo. And rightly so, since it gave the present management an opportunity to claim that Rusoday was an existing profit-making company.

For the year ended 31 March 1989, ie, soon after the takeover, the company closed its accounts with a total income of Rs.3.84 lakh, against Rs. 1.05 lakh in the previous year. According to Kanoongo, the rise in income corresponds to Rs.3 lakh that came in when the directors encashed their proprietory consultancy incomes in the firm.

The company netted a profit of Rs.2.98 lakh and declared a maiden dividend of 10 per cent, which amounted to Rs. 2.40 lakh. "In this sense the company has paid dividend," says a financial analyst. "If the company had not brought the consultancy fees into the books of accounts, it would have reported a loss of Rs.2,000 for the year."

Kanoongo, however, explains that within a month-and-a-half of taking over the company, the new management purchased fixed assets worth Rs. 8.72 lakh and leased them towards the end of March, thus claiming depreciation for the whole year as permitted by lease accounting rules. It thus earned a lease rent of Rs.11,366.

Diamond trading

It is true that the diamond business is highly profitable, more so when exports enjoy total tax exemption. "The company has started diamond trading activities from July 1989 and has achieved a turnover of Rs.50 lakh in the very first month, but this has been purely from local trading," says Vijay Borar, a 28-year-old director of the company who is experienced in the trade and will look after the day to day activities of the company.

According to V.N. Nadkarni, the company's chairman, the company law board has granted it permission to include diamond trading and export activities in its objectives. The company intends to import roughs and cut, polish and export them.

However, although it has raised money from the public for the purpose, the company is nowhere near fulfilling its stated objectives of exporting diamonds. According to a leading diamond trader, a diamond importer and exporter has to be a member of the Gem & Jewellery Export Promotion Council (GEPC) besides obtaining an RBI code number. Borar says that his company has obtained the RBI code number, and its application for registration with the GEPC is pending since it has to first export to earn a licence.

The company is thus caught in a vicious circle. According to traders it is not easy for a new company to export unless it is a member of the GEPC as it will face a hard time cultivating clients abroad. Hence, they feel, it will be some time before it can begin exporting diamonds on a regular basis.

Easy loopholes

The present issue of equity shares of Rs.94 lakhs did not require the approval of the Controller of Capital Issues (CCI) as the the provisions of Capital Issues (Exemption) Order, 1969, exempts all issues below Rs. 1 crore from such approval. Thus, the company was saved the trouble of submitting an institutional appraisal of the project to the CCI. And yet, the Punjab National Bank has agreed in principle to fund the working capital requirements of the company.

Moreover, the size of the issue does not qualify it for listing on the stock exchange as the listing guidelines provide only for companies with a capital of Rs.3 crore and above. The promoters got over this hurdle too by taking over a defunct company which was already listed on the BSE.

Market sources have it that besides diamonds, another factor that attracted investors is V.N. Nadkarni's name. A former chairman of the State Bank of India on a company's board would convince even the cagiest of investors. Nadkarni himself refused to comment on the company's past, with the plea that he joined the company only in August this year.

For the future, the company plans to enter into the manufacture of diamond studded jewellery by setting up a 100 per cent export oriented unit at SEEPZ at a cost of Rs. 5 crore. "We want to prove our genuineness with a small issue and then float a bigger one to fund the company's future plans," says Borar. Seems like its going to be back to the capital market for Rusoday very soon. "Within a year," adds Borar helpfully.

■

LANCELOT JOSEPH

HALDIA PETROCHEMICALS

A good chance

After hanging fire for 13 years, the project now has a good chance of seeing the light of the day

His last London visit was like any other for Rama Prasad Goenka, the 56-year-old patriarch of RPG Enterprises Ltd, which represents the focal point of a group that has grown significantly through acquisitions. Till the phone rang. The voice of one of his advisors crackled over the long distance line and he knew there was trouble. The gist of the message was that the RPG group's dream of setting up West Bengal's only petrochemicals complex was in grave danger of coming to an end. Some 'newcomer' industrialist from north India was trying his utmost to pull the rug from under Goenka's feet.

"I took the next available flight to Delhi to find out what was wrong," recalls Goenka. Although he is unwilling to give a detailed account of what followed in Delhi, it is clear the following two weeks were indeed hectic. It is stated that government representatives were reconsidering the Haldia proposal, as they were given to understand that there were doubts about the RPG group's financial strength to raise resources for such a big project. It was one thing to nibble at the equity of existing companies, but taking over control to put up a greenfield mega project was quite another matter. Admits a senior group executive, "In the last seven days (prior to the foundation stone laying ceremony), there was more than an outside chance of RPG losing Haldia."

It is reported that the main threat was posed by Abhey Oswal, chairman of the Oswal Agro group. (Goenka, of course, denies knowledge of the identity of the suitor.) But it is clear that Oswal almost succeeded in swinging the project away from Rama Goenka. According to the Delhi grapevine, Goenka made a fervent plea to prime minister Rajiv Gandhi — which worked.

At the time of writing the details of the project were still to be worked out. The norms for minimum economic size having undergone revision in recent months, it is expected that the earlier projected capacities of the 139,000 tpa naphtha cracker, the 24,000 tpa butadiene, 80,000 tpa HDPE, 80,000 tpa polyethylene, 60,000 tpa ethylene glycol and 60,000 tpa each of styrene and polypropylene plants would be revised upwards.

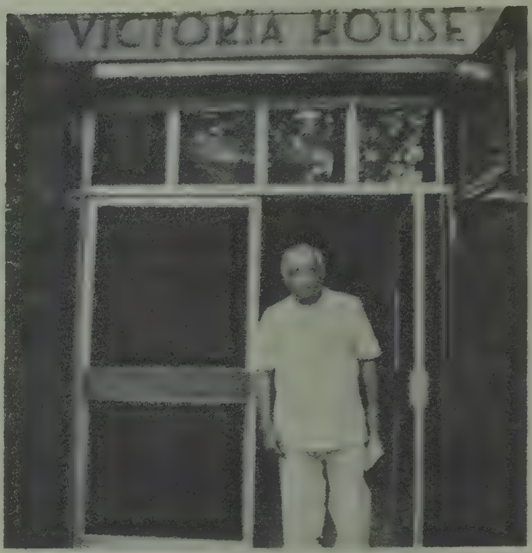
While the estimated revised cost is placed at Rs.2,846 crore, apart from the naphtha cracker capacity of 400,000 tonnes, the other capacities of the downstream units, the means of financing and sources of financing were being hammered out with the Industrial Development Bank of India, the lead institution. Says Goenka, "Quite honestly, at this stage we have not examined the possibility of starting downstream units first. We would have to look at the availability of foreign exchange resources for importing the naptha, and whether Haldia port has the necessary chemical handling facilities."

Goenka estimates the debt equity ratio to be 3:1. Which means the equity of Haldia Petrochemicals Ltd would be Rs.725 crore. With a 25 per cent equity stake, the RPG group would have to bring in approximately Rs.178 crore, and the joint sector partner, West Bengal Industrial Development Corporation, with a 26 per cent equity stake would have to bring in a little more than the RPG contribution.

Ministry's instructions

According to Goenka, the first indication that the Haldia Petrochemicals proposal was being considered seriously by the central government came two months ago when an expert committee was constituted under the chairmanship of J.J. Mehta, a former chairman of the Indian Petrochemicals Corporation. Today, as the matter stands, the union ministry of finance has, according to Goenka, given written instructions to the financial institutions to expedite the project. "No matter which party governs at the centre or in the state, Haldia will progress. Party affiliations are no longer of any significance," says Goenka, who is known as a long-time supporter of the Congress (I) government. From zero date — sometime in November — the RPG group expects to start trial runs in 36 months.

If the Haldia project interested a number of people it was probably because a lot of groundwork had already been done. According to 'A study of the industrial scene in West Bengal', a West Bengal government report published in 1988, "The state has already spent about Rs.37 crore on making infrastructural provisions and other facilities for this project."



Goenka: persistence paid off

It adds, "The state government will dither the least to make further investment, if so needed, to make the project a reality."

Where will the money come from? Asim Dasgupta, minister-in-charge, finance, West Bengal government, is yet very undecided — so it appears — on how to tackle this vexing problem. In first agreeing to give answers relating to West Bengal's industrial development plans and the Haldia Petrochemicals project, Dasgupta wanted that the questions be given in writing by *Business India*. "I will personally write out the answers as soon as your editor sends me the questions," he said. These were despatched to him immediately. But after two days of vacillating, Dasgupta's office finally informed *Business India* that "the minister in consultation with the chief minister Jyoti Basu has said he was unable to answer the questions currently. After the elections we will give the first interview to *Business India*."

The answer to the question of raising Haldia Petrochemicals' finances is not an easy one. The RPG group will undoubtedly rely on group companies, mainly Ceat Tyres — investible surpluses: Rs. 66 crore as of 1988-89 — and its collaborators for Haldia, Chemtex, USA, for raising the 25 per cent promoters' equity. WBIDC's track record shows that while it disbursed Rs.20.82 crore in 1983-84, this figure had declined to Rs.18.37 crore in 1987-88 from a level of Rs.33.19 crore in 1986-87. If these figures are any indication, WBIDC will have to scrape the bottom of the barrel to raise its own contribution of Rs.180 crore.

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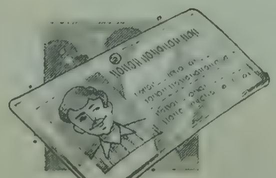

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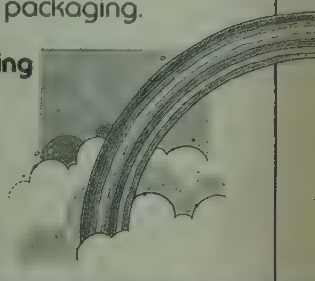

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The Sardar Sarovar controversy

Are the critics right?

The damming of the Narmada is running into fierce opposition. On the one hand, the authorities have been touting the Sardar Sarovar Project as "Gujarat's life-line". To its critics, however, the mega-project has come to symbolise all that is wrong with the prevailing model of development: ecological destructiveness; callous unconcern for the displaced tribals and rural poor; fascination with gigantic, enormously costly and ill-conceived schemes which benefit the relatively few and are unable to alleviate widespread poverty. Such projects are increasingly seen as representing an unjust and exploitative pattern of resource use that is fueling social conflict — often violent — in several tribal and non-tribal areas of the country. What ultimately drives the anti-dam activists and critics is a powerful new vision of equitable and ecologically sustainable development for all

The fierce controversy currently raging over the Sardar Sarovar Project — and the growing public opposition to large dams and other development projects — is a phenomenon so unfamiliar and perplexing that the commonest response to it is still one of blank incomprehension. At the same time, the anti-dam movement is steadily gaining strength and popular support, and now includes within its ranks some of the most eminent and distinguished individuals in this country.

One of them, Baba Amte, has put his life on the line and publicly sworn a solemn oath: "While there is breath in my nostrils, I will not allow this dam (Narmada Sagar) to come up." He has issued a passionate challenge to the authorities: they can go ahead and fill the dam if they wish, but they will have to drown him first.

And when that time comes, Baba Amte will not be alone; thousands will be with him in the submergence zone. A whole new movement has emerged against "destructive development", consisting of a wide assortment of social activists, intellectuals, environmental and human rights groups, with increasing grassroots support among project-affected people in several different parts of the country.

At the same time, it remains true that most people, including a majority of our economists and development planners, simply do not see what the activists and critics are driving at and what the fuss is all about. They tend to dismiss the anti-dam activists and critics as sincere but misguided people, as latter day Luddites who are afraid of the social dislocation that inevitably accompanies growth and development, backward looking romantics who wish to put the clock back and stop the march of progress.

The incomprehension that has typically characterised the controversy over the Sardar Sarovar Project is in evidence each time an attempt is made to answer the critics. It is blithely asserted that the critics have not made their case — when it can be readily shown that the real issues that arise in connection with the project have not even been correctly perceived, let alone adequately addressed.

In what follows, we shall not let ourselves be distracted by the plethora of facts and figures put forward by the government and disputed by the critics, nor dwell on the welter of claims and counterclaims, accusations and recriminations, that have obscured the deeper issues. Many of these points of dispute — such as

Santosh Verma

Santosh Verma

National Rally Against Destructive Development, Harsud: local struggles are being seen in a national perspective

Sar[illegible] Verma

Leading activist Medha Patkar: working with oustees and raising larger issues

the gross underestimation of the siltation rate and the consequent overestimation of the life-span of the reservoir, major lacunae in the planning process which will inevitably reduce the projected benefits, manipulation of the cost-benefit analysis with deliberate underestimation of costs and overestimation of benefits which place the viability and the project in doubt, denial of the public's Right to Know — are indeed of considerable importance. But in the present situation, it is even more important to grasp the essence of the phenomenon and not miss the wood for the trees.

Central issues

Two sets of issues are central to the Sardar Sarovar controversy: first, resettlement and rehabilitation of the nearly 100,000 oustees (nearly 230,000 if we also take Narmada Sagar into account), and, second, the ecological implications of the project.

Taken together, these two issues have far-reaching implications that carry us well beyond the pros and cons of a particular project: on the one hand, we are led to a critique of the prevailing model of development which is increasingly seen as socially unjust and ecologically unsustainable; and on the other hand, we are brought face to face with the exciting prospect of an alternative model of development, based on ecological restoration and sustainable livelihoods for all our people.

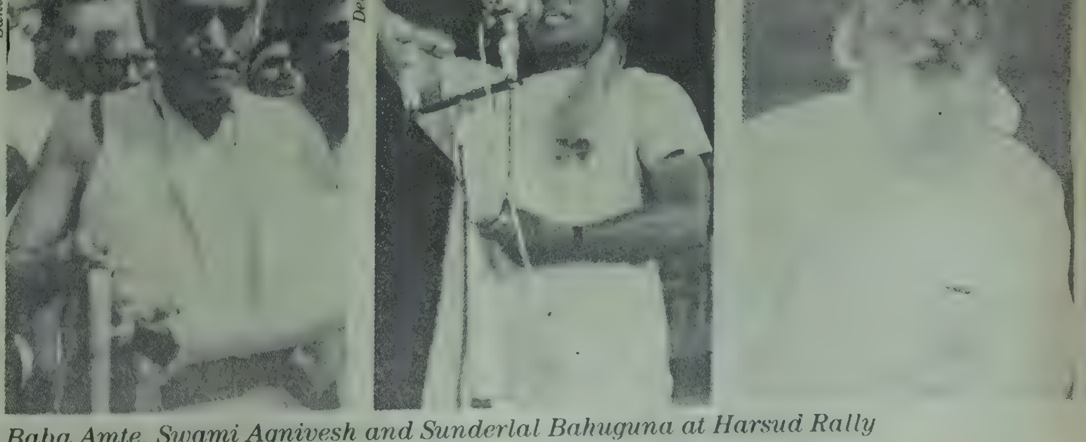
Let us first look at the problem of resettlement and rehabilitation (R&R). The establishment view does not deny that there has been considerable delay on the crucial question of acquisition and allotment of land for the oustees. But it takes a lenient view of the delay, preferring to believe, in the words of *The Economic Times* editor, that "there is evidence that the authorities have learnt by experience and there is faster progress now, partly in response to the (oustees') agitation as also the concerns expressed by the World Bank". In other words the problem is conceded, but we are asked to believe that it is being taken care of now. Having thus satisfied their consciences, and got this inconvenient little matter out of the way, they are ready to get on with the project.

The activists working with the oustees' organisations, on the other hand, have not been able to find any such "evidence". Having had the bitter experience of dealing with the government of Gujarat on the oustees' behalf for the last five years, they can see that the oustees' interests are being sold down the river. It is clear to them that the project authorities are least concerned about the tedious and bothersome business of R&R since the big bucks and the best career prospects are elsewhere. In any case, the oustees have little choice but to curse their fate and accept whatever treatment is meted out to them. To the activists, however, the fate of the oustees has become a major human rights issue, involving the fundamental right to life and livelihood of the poorest and weakest sections of our people.

Voices of protest

To see the issue a little more clearly, let us for a moment put aside intellectual disputations and listen to one of the many authentic voices of the new activism. Here is a newspaper report of Srilata Swaminadhan addressing a gathering of some 35,000 project-affected tribals and small farmers last month at the National Rally against Destructive Development in the little town of Harsud in Madhya Pradesh:

"'I have come,' says this fiery activist from Rajasthan who was physically attacked last year by people who took amiss her work on behalf of the tribals, 'all the way from Rajasthan to tell you something. They built dams in Rajasthan, too. There too they promised all sorts of things — land for land, compensation in the thousands, everything. The people trustingly gave up everything they had. Do you know where they are now? Scrounging around in the garbage heaps of big cities, hoping to snatch a morsel of food for their hungry bellies — believe me, I work with these people. That's why I have come to tell you, don't believe this government. Don't even listen to their promises. Above all, don't allow this dam (Narmada Sagar) to come up and flood you out of your hearths and homes. Tell me, will this dam be built?' *Nahin*, comes the answering roar, but Srilata is unhappy: 'Unless you shout



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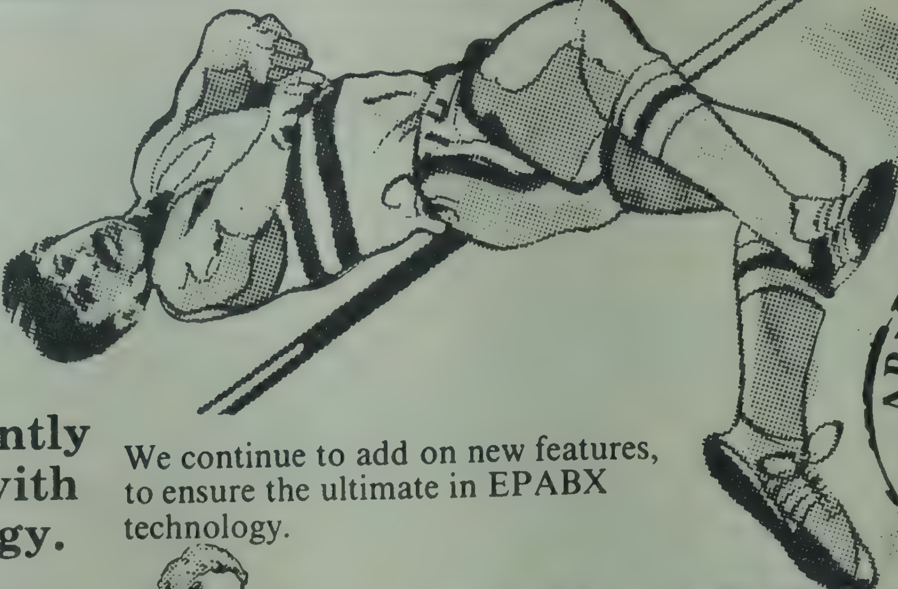

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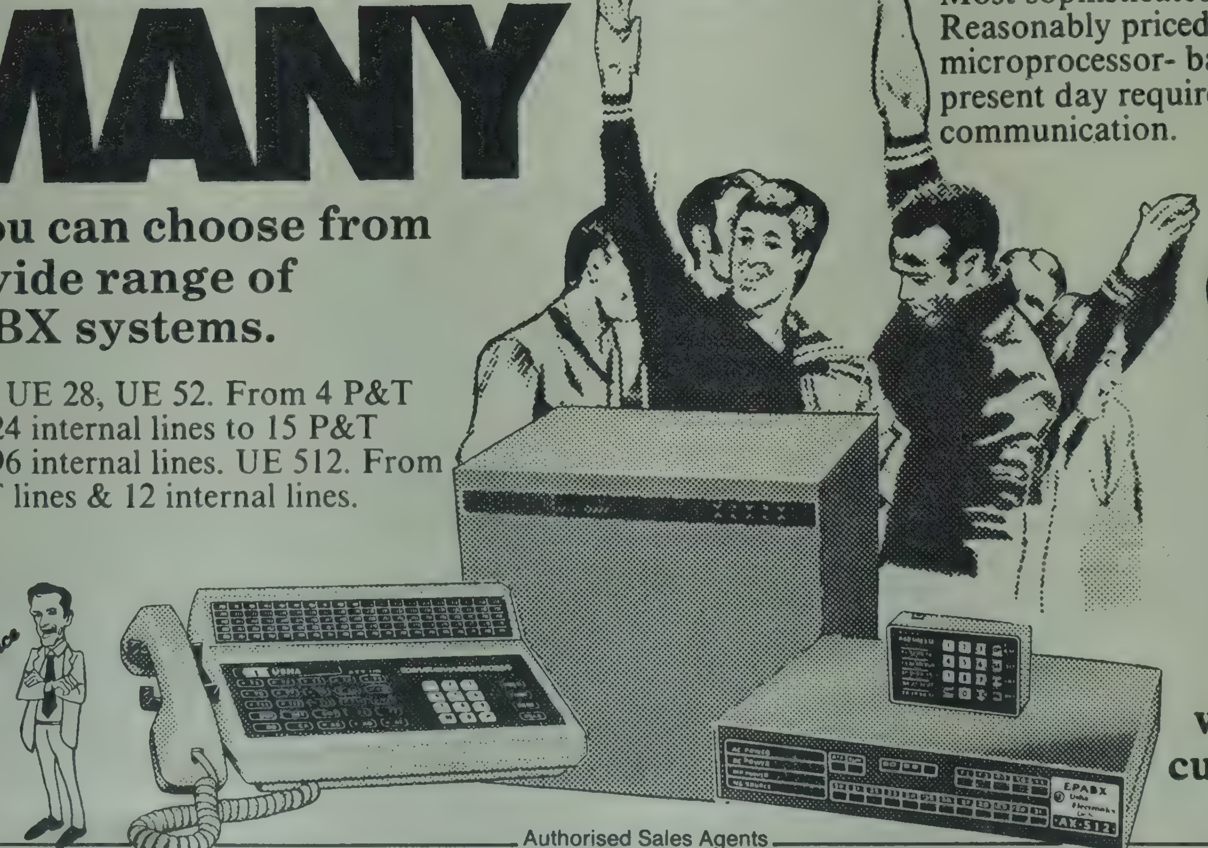

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Construction on Sardar Sarovar dam is proceeding apace

louder they can't hear you in Delhi,' she says. *Kabhi nahin*, the crowd yells back, and this time the echoes shake the earth."

Let no one mistake this for rabble-rousing; it is the authentic voice of protest against injustice. Still, for those who would prefer a more sober tone, here is the May 1989 report of Thayer Scudder, consultant to the R&R sub-group of the World Bank's Reappraisal Mission for the Sardar Sarovar Project that visited India earlier this year. Incidentally, Scudder is professor of anthropology at the prestigious California Institute of Technology and one of the world's leading experts on R&R.

In the first sentence of his report, Thayer blandly announces that while R&R in connection with large-scale projects is always difficult, it is especially so in the case of Sardar Sarovar "since there is little precedence in India for execution of equitable R&R in connection with development projects". Translated into ordinary language, Scudder is saying that the treatment of oustees in this country has always been less than fair, that they have been uprooted and more or less left to fend for themselves, and consequently, as Srilata Swaminadhan asserted, they have almost invariably been pauperised and reduced to destitution.

Shocking neglect

Scudder's indignation at what he found comes across even through the bureaucratic prose of his report, which is a scathing indictment of the R&R aspect of the Sardar Sarovar Project: "Ten years after the Tribunal rendered its decision, poor implementation continues to be the main deficiency of the R&R component.... It is important to examine not only what has been accomplished but also the 'spirit' in which such accomplishment has occurred.... The favourable oustees, policies of Gujarat have resulted primarily from external pressure rather than from the 'good will' of the Government of Gujarat (GOG) towards its oustee population.

"As documented in detail in this report, the GOG has attempted neither to implement expeditiously its new policies nor to correct deficiencies (in the resettlement) of those relocated prior to December 1987 (when the new liberal policies began to be announced). During April 1985 I made a special effort to search out examples of 'good will' on the part of GOG towards its oustees in regard to a number of long-standing trouble points which the government, at small financial cost, and at significant benefit to oustees, could easily have achieved. *I found no such cases.*"

So much for the boast often repeated by the project authorities, that the compensation norms established by the Gujarat government are "the most liberal not only in India but perhaps the world". For, what use are liberal norms when the government shows every day by its actions that it has no intention of implementing them?

It is important to note that the activists and oustees' organisations which have now taken a firm "no dam" position and are adopting an increasingly adversarial, even militant, stance, have been driven to this position only relatively recently. To begin with, they came into the picture with the intention of merely acting as intermediaries between the government and the displaced villagers, to help the oustees to actually get what was being promised to them by the government.

Scudder's report provides ample corroboration of the fact that it was only when the oustees' organisations discovered, after years of bitter experience, that the government was not sincere in its promises and was trying to cheat them, that their stance finally hardened into the uncompromising position: *'Koi nahin hatega, bandh nahin banega'*. If Scudder, after making a "special effort to search out examples of goodwill on the part of GOG", could find "no such cases", the oustees can hardly be blamed for resisting the government's efforts to uproot them from their homes and drive them from their ancestral lands.

The demand of the oustees' organisations is simple, unexceptionable, and perfectly just. All they are saying to the government is: if you want us to give up our homes, abandon all we have and move out lock, stock and barrel, at least give us some tangible proof that your promises are sincere and that you mean what you say. Show us, on paper, what land you have acquired for us; show us what plans you've formulated as to where and how we are to be rehabilitated, what arrangements you've made to see to it that our relocation to some unfamiliar far-away place will be accomplished reasonably smoothly and without undue hardship. Above all, show us how you've actually rehabilitated the handful of villages displaced since 1970-71, and let that example convince us that it will be to our advantage to move. If you can't do any of these, you have no right to ask us to move.

Severely criticised

The resettlement of the few displaced villages already carried out — which was to have been a model that would persuade the rest of the oustees to move — has in fact been severely criticised not only by the World Bank but also by the official monitoring agencies appointed by the government itself, viz, the Tata Institute of Social Sciences (TISS), Bombay, and the Centre for Social Studies (CSS), Surat.

Scudder relates in his report that whenever the CSS pointed out what they considered to be planning or implementation weaknesses, GOG replied that their conclusions were invalid since everything was on schedule. And he goes on to add, "In fact, everything is not on schedule, in part

Poor but living with dignity: a tribal family from the submergence zone

Sanjeev Bhamroo/Sanctuary magazine

because of the total absence of date specific targets relating to all aspects of land identification, acquisition, purchase, titling and development process".

If further proof is needed, the National Institute of Construction Management and Research (NICMAR) — the official agency appointed by the Narmada Control Authority set up by the Central government to monitor compliance with stipulations laid down in the Narmada Water Disputes Tribunal award and in the World Bank loan agreement — states in its January 1989 report: "As a Central monitoring and evaluation agency, we tried to locate if there was any detailed implementation plan for the R&R work. We have not come across any such plan, Central or interstate or even at the level of each involved state."

To cap it, in July this year, following the adverse report of its Reappraisal Mission, the World Bank has given the concerned state governments one more year to come up with acceptable policies and plans for R&R; and if they fail to do so by 30 June 1990, the Bank has threatened to cut off its credit to the Sardar Sarovar Project. (That the threat comes too late, because by that time the project may be irreversible and the oustees' fate would have thus been sealed, is another story.)

All this is bad enough, but worse is to come. The problem is not only in the implementation. The fairly liberal R&R policies announced by Gujarat apply only to less than 20 per cent of the oustees who are to be resettled in Gujarat. A large majority of the oustees — more than 80 per cent — are from Madhya Pradesh (M.P.) and Maharashtra and are to be resettled in those states. Gujarat's liberal policies will not apply to them: they will be dealt with under the R&R policies of their own states which are much worse in decisive respects. Yet the large newspaper advertisements issued by the project authorities continue to mislead the public into thinking that Gujarat's liberal policies are applicable to all oustees.

Betrayal of oustees

Thus it is clear that as of today there is nothing even remotely resembling a comprehensive and detailed action plan for R&R, and that acceptable policies applicable to all oustees do not exist. Nor have the project authorities bothered to set up a strong, functional agency for carrying out R&R, staffed with people having the necessary skills, dedication and compassion, without which there is no chance of successfully accomplishing the difficult and enormously complicated business of rehabilitating such a large number of people. Nor can anyone realistically claim that the requisite policies, plans and implementing machinery will be brought into being in the short time before the remaining displacement is due to begin.

The conclusion is therefore inescapable: if construction of the dam is allowed to proceed, there is little doubt that a large number of poor people will be pauperised and condemned to a lifetime of destitution. A grim fate awaits a large proportion of the oustee population — futile wandering in search of work, toiling in the most exploitative conditions, begging on city streets and scrounging around in rubbish dumps, shunned by all, and in the end reduced to such dire straits as to be forced to sell their wives and daughters. Such is the sacrifice being demanded at the altar of "progress".

Such a demand is unacceptable, not only to the oustees themselves, but to a large and growing cross-section of concerned citizens who believe that under these circumstances the project must not be allowed to go on. As Baba Amte has aptly said, we simply cannot stand by and watch some people's "life-line" being allowed to become other people's death-line.

It is necessary to remind ourselves that equitable R&R is not a matter of state generosity: it is a fundamental right of the oustees guaranteed by the Constitution. The concerned state governments on their part are legally bound to rehabilitate all oustees in accordance with the norms and stipulations laid down by the Tribunal and the World Bank — not to mention their own policy pronouncements.

Violation of rights

The appalling lack of preparedness with regard to R&R is so well documented that the government's wilful breach of these stipulations, amounting to a violation of the oustees' fundamental rights, would be easy to establish in a court of law. In such circumstances, any court — provided it does not have one law for the powerful and another for the weak — would be constrained to issue a stay order against the project until the authorities have demonstrated their compliance with the stipulations.

The argument holds irrespective of the magnitude of benefits expected from the project; indeed, one could say that the greater the magnitude of benefits, the greater the obligation on the government and the beneficiaries to adequately look after those whose sacrifices have made those benefits possible.

So far, it has been argued that the government *has not* made acceptable arrangements for adequately resettling the oustee population; but it is possible to go further and show that such arrangements *cannot* be made in the foreseeable future. Given that R&R is to be carried out on a 'land for land' basis, the crux of the problem is the non-availability of suitable land. Unutilised cultivable land outside forest areas simply does not exist, and the Central government has been rightly refusing

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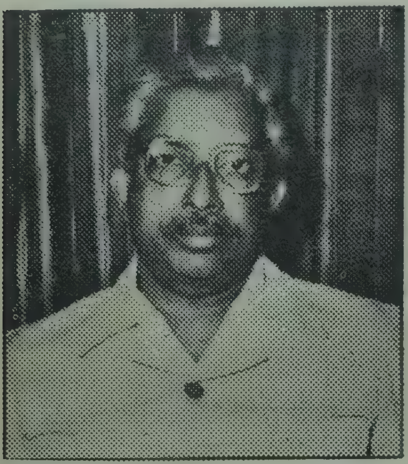


Dr. A. Besant C Raj DBA (Harward)
Chairman

CHAIRMAN'S SPEECH DELIVERED AT THE FIFTH ANNUAL GENERAL MEETING

It gives me great pleasure to welcome you to the 5th Annual General Meeting of the Institute. Your Institute has made remarkable progress during 1988-89 in respect of academic programmes, enrolments and other activities.

The CFA Programme

The CFA Programme, launched in collaboration with The Institute of Chartered Financial Analysts, USA, has continued to receive excellent response. The total enrolment in the CFA Programme crossed the 10,000-mark during the year.

Many companies in the corporate sector are reimbursing the CFA Programme fee to their employees enrolled in the CFA Programme. It is notable that the Reserve Bank of India and other leading financial institutions like IDBI, ICICI, IFCI and UTI have already introduced fee reimbursement schemes for their employees enrolled in the CFA Programme. The CFA enrolment in the first four months of the current year has been very encouraging.

The First Convocation

The first Convocation of the Institute was held on August 13, 1989 at Hyderabad. The CFA designation was conferred on 24 students, who successfully completed the CFA Programme.

Her Excellency Smt Kumud Ben Joshi, Governor of Andhra Pradesh was the Chief Guest and delivered the Convocation Address. Smt Kumud Ben Joshi also gave away medals and awards to the rank-holders in the CFA examinations. Mr Alfred C Morley, President of The Institute of Chartered Financial Analysts, USA delivered the keynote address.

Opportunity for Indian CFAs to acquire the CFA designation from ICFA, USA

Our Institute and ICFA, USA are working out details of an arrangement whereby CFAs from our Institute would also get the CFA designation from ICFA, USA by successfully completing certain selected papers. Details of this arrangement will be announced in the next few months.

Code of Ethics

The Board of Governors in their meeting held on July 22, 1988, approved the Code of Professional Ethics which every CFA is required to abide by. The Code of Ethics was evolved in consultation with ICFA, USA. Every student enrolled in the CFA Programme, is provided with a copy of the Code of Ethics and standards of Professional conduct.

The CFA Designation

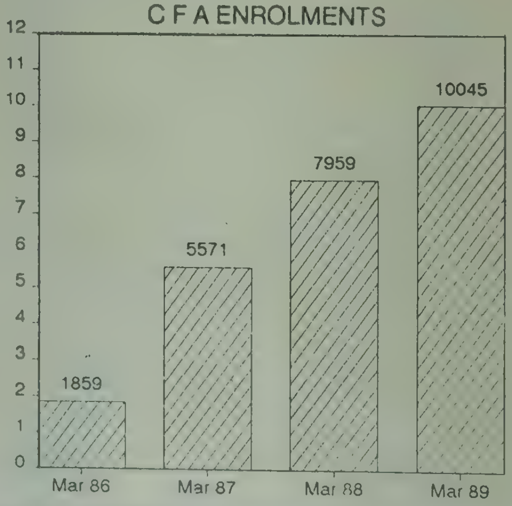
The CFA designation is an internationally recognised professional designation offered by our collaborator, ICFA, USA. We have adopted the same designation in India too, to conform to international standards.

Unfortunately, the Institute of Chartered Accountants of India, is taking a unreasonable stand that the activities of ICFAI are contravening the provisions of Sec 24 A of the Chartered Accountants Act, 1949. Leading solicitors in Bombay have advised us that the activities of ICFAI do not violate any of the sections of the Chartered Accountants Act. We want to assure all our students and the CFAs that we are taking necessary steps to protect their interest. In the meanwhile, we sincerely extend our hand of friendship to ICAI to work together for the upgradation of Financial Skills, Techniques and Concepts in India.

DBF Programme

I am happy to report that the response to the DBF (Diploma in Basic Finance) Programme launched by our Institute during 1988, has been quite encouraging. This programme has been specially developed for the benefit of executives, businessmen and government administrators. Many leading organisations like Abbot Laboratories, Hindustan Ciba-Geigy, India Cements, Hindustan Cables, ITC, Madura Coats, Mather & Platt, Voltas etc. continue to sponsor their executives for this programme.

C F A ENROLMENTS



Asian Securities Analysts' Council

ICFAI is an active member of Asian Securities Analysts' Council (ASAC) which was founded in 1979 to promote a co-operative relationship among securities analysts societies in Asia, to develop analytical techniques and generally to contribute to the role of securities analysis. ICFAI has been participating actively in the International Seminars organised by ASAC, including the 10th ASAC Conference at Kuala Lumpur in 1988.

International Co-ordinating Committee

ICFAI is also a member of International Co-ordinating Committee of Financial Analysts Associations (ICCFAA) which consists of Financial Analysts Federation, USA, European Federation of Financial Analysts and Members of ASAC. Among other things, ICCFAA, is evolving a common curricula for financial analysts on world-wide basis.

Seminars

In December 1988, Dr S A Dave, Chairman, Securities Exchange Board of India, delivered the Foundation Day lecture on 'Investor Protection'. In July 1988 the Institute organised a seminar on 'Current Trends in International Finance' by Dr Wilbur E Theilbur, Professor of Economics and Finance at the Central Missouri State University.

Publications

During the year, the Institute brought out the following publications:

- *Economics for Managers*
- *Introduction to Accounting - Self Instruction Manual*
- *Effective Study Skills*

In addition, the Institute continues to bring out the CFA Newsletter and reprint the CFA Digest.

Acknowledgements

I wish to take this opportunity to thank the members and ICFA, USA for extending enthusiastic support for the development of our Institute. I would also like to thank Reserve Bank of India, IDBI, IFCI, ICICI and UTI for their encouragement and support to the CFA Programme. I would also like to thank my colleagues on the Board, Members of the Academic Council, various experts who are developing study material for us and members of the staff of ICFAI for their continued support and help.

Hyderabad
September 15, 1989

Dr A Besant C Raj
Chairman

to release forest land for resettlement purposes. The only remaining possibility is to resettle oustees on private irrigated land purchased by the government for this purpose in the command area.

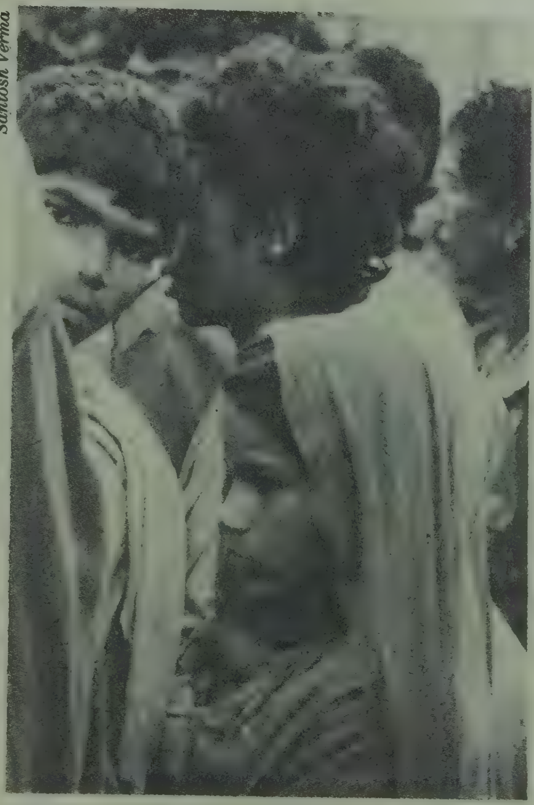
While this option is technically feasible, it is known to be politically unworkable, for it involves compulsory acquisition of irrigated land from relatively rich farmers (only they have any surplus that could be acquired) at well below market prices, and handing it over to oustee families, which almost always belong to social strata much lower than the host community in terms of caste, social status and power. Their successful rehabilitation under these circumstances is virtually impossible.

As the experience of legislation in Maharashtra (1976) and (MP) (1985) enabling state governments to compulsorily acquire land in the command area has clearly shown, state governments lack the political will to enforce such legislation, which merely remains on paper. (The same has been the fate of land reforms legislation which has remained largely unimplemented, and for the same reasons.) Thus if we consider — as we must — the social and political context in which R&R has to be carried out, the conclusion cannot be avoided that satisfactory resettlement and rehabilitation of the oustees is just not possible.

Who gains? Who loses?

This is an astonishing conclusion, for it means that, in the present socio-political set up, grave injustice towards the poorest and weakest sections of our people is an intrinsic feature of all development projects involving large-scale displacement of people. We can now begin to understand the significance of the increasing mass mobilisation and public opposition to large development projects — such as dams, mining projects, thermal and nuclear power stations, and even defence related projects like the missile testing range at Baliapal. All these development projects sharply raise a potent political issue: "Who gains from such development? And who loses?"

The Sardar Sarovar oustees have been told that the project will brook no interference and must go through because it is in the "national interest". The chief minister of Gujarat has publicly declared his willingness to call out troops, if necessary, to deal with any attempt to obstruct the construction work. But the oustees are no longer in a mood to submit meekly to this sort of thing. The spontaneous question to which they are now demanding an answer is: "We are told that we must sacrifice for the nation. But who really comprises our nation? Are we also not part of this nation?"


Santosh Verma

Callous unconcern for their fate

It is a question that is becoming increasingly insistent. In almost 40 years of so-called planned development, many of the oustee villages have not seen an iota of improvement in their living conditions, not a single ray of progress has penetrated there. They do not have clean drinking water, schools or the most elementary health care facilities; people have little productive work, and employment opportunities are non-existent. How can we ask these people to make sacrifices for others when no one has ever sacrificed anything for them, or even spared a thought for them? The simple truth is that planned development has passed them by. Not only has it done very little for them, it has often left them worse off than before.

Politicisation at grassroots

The oustees are now refusing to take things lying down. They are no longer prepared to become victims of other people's development. Their self-assertion is part of a wider politicisation of the many who have been marginalised and excluded from the gains of development. The rising tide of protest against "destructive development" we are witnessing today is the backlash of our lop-sided development policies that have created relatively small islands of affluence amidst the vast surrounding ocean of poverty and deprivation. In agriculture as well as industry, in rural as well as urban areas, the benefits of growth and development have been highly unevenly distributed. Wealth has remained confined to the relatively few and has refused to 'trickle down' fast enough to the many. The oustees' protest draws its strength from the growing unrest at the grassroots which is the inevitable consequence of unjust and unequal development.

The stock reply to this sort of criticism has always been that what we need is not less development but more and faster development. The fact of unequal and lopsided development is not denied, but it is maintained that growth has not trickled down and spread more widely simply because there hasn't been enough of it.

This brings us to the second major issue we have to consider. The prevailing model of development is under challenge not only from the point of view of equity and social justice, but also because of its disastrous ecological consequences. Thus, more growth — of the present kind — would also mean a bigger ecological disaster.

Early phase

When 'environmentalists' take a stand against Sardar Sarovar or any other large project, what exactly are they saying? It is important to distinguish several distinct strands in their argument. In the early phase of the environmental movement, the emphasis was on the conservationist or preservationist impulse which seeks to prevent the destruction of natural forests and wildlife occurring as a direct consequence of the project. For instance, Sardar Sarovar and Narmada Sagar together will submerge 54,106 hectares of forest and 55,681 hectares of cultivable land.

No one any longer denies that the submergence of a centuries old forest, with its profusion of flora and fauna, including rare species, is an unmitigable tragedy and a major cause for concern. Once destroyed, this intricately balanced community of plant and animal life, evolved over millenia, is impossible to recreate through human effort and for which man-made plantations are no substitute. To this was added a recognition of the crucial role of forests in soil and water conservation and in the regulation of climate, and their value as gene pools and as a storehouse of biological diversity.

Sanjeev Bhamroo/Sanctuary magazine

Sanjeev Bhamroo/Sanctuary magazine

Narmada near the Sardar Sarovar dam site; and part of a village to be submerged

The environmentalists are concerned that large projects are helping to destroy the last vestiges of this country's forest cover at a time when the crying need is not only to safeguard all our remaining forests but to substantially *increase* the area under forest. It is true that loss of forest due to such projects accounts for a relatively small proportion of the total deforestation taking place each year. But the destruction in each case sharply brings home the fact that, despite much talk, the government does not know how to even partially make up for the loss by means of "compensatory afforestation"; nor does it have a workable reforestation strategy for restoring vegetational cover over vast tracts of this country's barren and degraded lands.

In recent years, however, the environmentalist viewpoint has matured and evolved much beyond the limits of the conservationist perspective. Its focus has broadened and shifted from 'conservation' to 'ecologically sustainable development'. Large dams (and other megaprojects) are now being opposed not only for the direct destruction they cause, but because they are seen as key features of a type of development that is playing havoc with our natural resource base and life-support systems, and is therefore unsustainable.

Sustainable development

The concept of 'ecologically sustainable development' is so new that its far-reaching implications have by no means been fully articulated. Nevertheless, it is a concept that answers a deep need of our times, and provides the conceptual underpinning for a radical critique of the prevailing model of development, as well as a basis for an alternative model of development.

The public animus being directed against Sardar Sarovar (and other large-scale development projects) is not due only to the direct damage the project will cause, in terms of environmental destruction and human displacement. Ultimately, what fuels this animus is not just an individual project but the whole pattern of development, of which these projects are an integral part. It is necessary to understand what this pattern of development is, and why it provokes the ecologists' wrath.

The purpose of a giant multipurpose project like Sardar Sarovar is to provide large quantities of irrigation and power. The basic goal is to extend the use of new production technologies that will lead to increased production in both agriculture and industry. In agriculture, the project will help to usher in the Green Revolution over a large area; and the power it generates is essential for industrial development.

These goals appear perfectly laudable and benign, until we realise that there is a snag: the process is destructive and unsustainable. The Green Revolution route to agricultural development locks us into a pattern of resource use that has no future. Every ingredient of this particular technology package — high levels of fertiliser and pesticide use, high yielding varieties of seeds (HYVs), and intensive irrigation — is riddled with problems.

It is a technology that demands high and continuously rising inputs of chemical fertilisers and pesticides to maintain yields, but forgets that these critical inputs are petroleum-derived products, based on a depleting stock of fossil fuels that may be exhausted in a generation. The Green Revolution pattern of agriculture is sustained by oil: what happens when the oil runs out?

In addition, depleting supplies of fossil fuels also mean continuously rising prices of farm inputs which further fuel inflation. Worse, high levels of use of chemical fertilisers result in declining soil fertility over time and the eutrophication of water bodies, while pesticide use creates serious and well known health hazards — toxic contamination of food, high concentrations of DDT in mother's milk, carcinogenic PCBs in human brain tissue. The hazards of manufacture need no reminder — a pesticide plant was responsible for the Bhopal tragedy.

The use of HYV seeds has its own problems, ranging from the risks of monoculture, depleting gene pools of plant cultivars, dependence on a small number of artificial varieties of seeds and their built-in susceptibility to new pests and diseases, due partly to the phenomenon of pesticide resistance among pests. All these things, taken together, leave little room for doubt that a system of agriculture based on such foundations cannot long endure.

Already, in the US — the home of chemicalised agriculture — serious rethinking is under way and has already achieved official recognition. The prestigious National Academy of Sciences as well as the US Department of Agriculture have recently acknowledged that natural farming using modern techniques is now a fully viable option, and have recommended policy changes that would help transform US agriculture in that direction.

Resource illiteracy

The third ingredient of the Green Revolution package — intensive irrigation — presents a different kind of problem. Our irrigation engineers and planners believe that the best solution to the acute water problem of our drought-prone, semi-arid areas lies in large-scale transfers of surface water over long distances through large irrigation projects. B.B. Vohra, a lone official voice crying in the wilderness, has aptly characterised such thinking as a product of the "resource illiteracy" or ecological ignorance of our planners. Sardar Sarovar provides a prime example of such thinking, in-as-much as the solution to the acute water crisis in Kutch and Saurashtra is sought in the waters of the Narmada transferred, at enormous cost, over long distances.

Man-made problem

To grasp this matter a little more clearly, we need only to recall that many of our so-called drought-prone areas were not always so — that their present desiccated condition and acute water scarcity is not natural but man-made. Till fairly recently, say 50 to 70 years ago, Saurashtra was a green and prosperous region, and its rivers, tanks and wells had plentiful water all the year round. There is historical evidence to show that several regions which are today barren, drought-affected and almost desert like, were once covered with rich pastures or dense forests.

For instance, in the 18th century, when Sarbuland Khan, the regional ruler of Gujarat, attacked the capital city of the Jethva rulers of Saurashtra, his cavalry could not advance due to dense, impenetrable forests, and could reach its destination only by cutting and burning its way through it! Similarly, the barren and chronically drought-affected Jhabua district in MP was thickly forested within living memory.

It is the destruction of the once rich pastures and forests of these areas which is the real cause of their acute water crisis today. It is crucial to realise that the low rainfall in these areas is *not* the main culprit, as can be seen from the fact that, despite low rainfall, wells used to have water all the year round. Rivers which are today drying up a month after the monsoon used to flow almost perennially when the land had not yet lost its vegetational cover. Conversely, the connection between water scarcity and loss of vegetation is clearly seen in *high* rainfall areas in Kerala or the Himalayas where acute water shortages are developing in the wake of deforestation.

Once this connection is seen, restoring vegetational cover to the land becomes the first priority. In B.B. Vohra's memorable phrase, a massive "internal haemorrhage" has been going on in the country's natural resource foundations which is bleeding the patient white. In this situation, to run after complex and enormously expensive technological 'solutions' like the Sardar Sarovar Project is to be like the man who refuses to look after his body sensibly and continues to inflict on it every kind of abuse — heavy smoking and drinking, foolish eating habits, no exercise, constant stress — and then looks to the marvels of medical science to fix any problems that arise.

The analogy is pretty exact. Just as sensible care of the body effectively prevents many ailments, but does not mean that hi-tech medical intervention will never be necessary, so also proper care of the land could effectively eliminate many a water problem, without implying that *all* problems could be solved in this way and that large dams will never be necessary. As with the body, so with the land. Sensible and inexpensive steps to maintain health ensures that costly and sophisticated technological interventions will be needed less often, and in some cases avoided altogether.

Forest in submergence zone: destroying the last vestiges

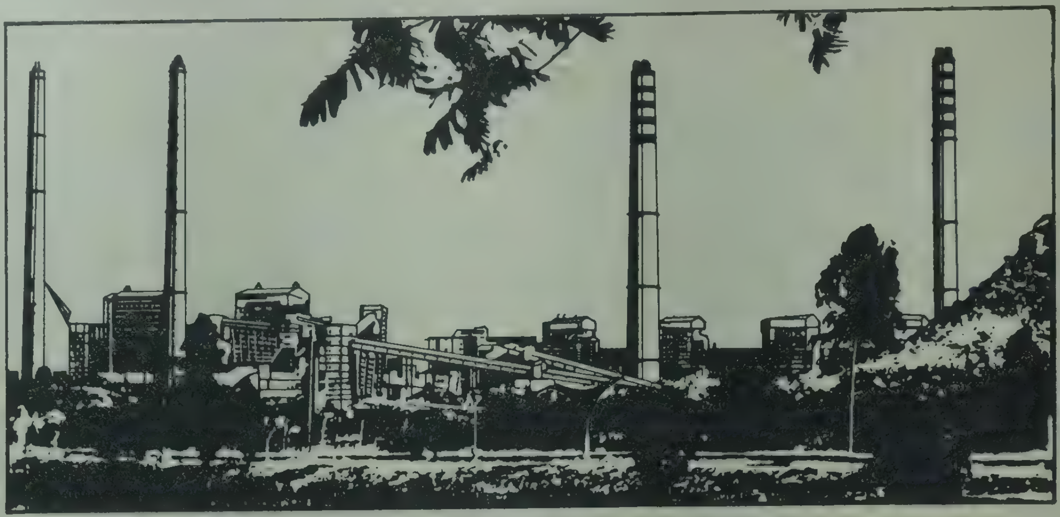
This is not romantic and fanciful 'back to nature' nonsense. Village level efforts in several drought-prone areas of the country have conclusively demonstrated the truly amazing results that are possible with a programme of small watershed development and ecological restoration, rainwater harvesting and small-scale storage, and increased efficiency of water utilisation.

The village of Ralegan Shindi, in the severely drought-prone Ahmednagar district of Maharashtra, is one well-known example among many. Rainfall here is low and highly erratic, varying between a mere 200 mm and 800 mm, with an average of 574 mm — not very different from large parts of Gujarat to be served by the Sardar Sarovar Project. Before the watershed development programme was initiated just a few years ago, the village faced acute drinking water shortage, yields of jowar and bajra were very low, and more than half the food requirements of the village had to be purchased from outside. After the watershed programme, drinking water shortage has been totally eliminated, irrigated area (in terms of limited water application) increased twelvefold, the cropped area as well as yields have more than doubled, and the village is now a net exporter of foodgrains.

Equitable and sustainable

All this has been achieved in just a few years, with limited means, without using any exogenous water from any large system — and results are expected to be even better in the coming years. This, and several other similar examples have clearly shown that with this approach it is possible to meet all reasonable water requirements in rural areas, without the human and environmental costs invariably associated with large projects.

It is important to note that this approach is inherently equitable, in-as-much as it needs to be implemented over the whole of the country's cultivable area. In contrast, major or medium irrigation



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Turnover : The gross turnover increased from Rs. 862.21 crore in 1987-88 to Rs. 1,274.84 crore in 1988-89, representing an increase of 47.9%.

Internal Resource Generation : Net Profit shot up from Rs. 4.57 crore in 1982-83 to Rs. 330.82 crore in 1988-89.

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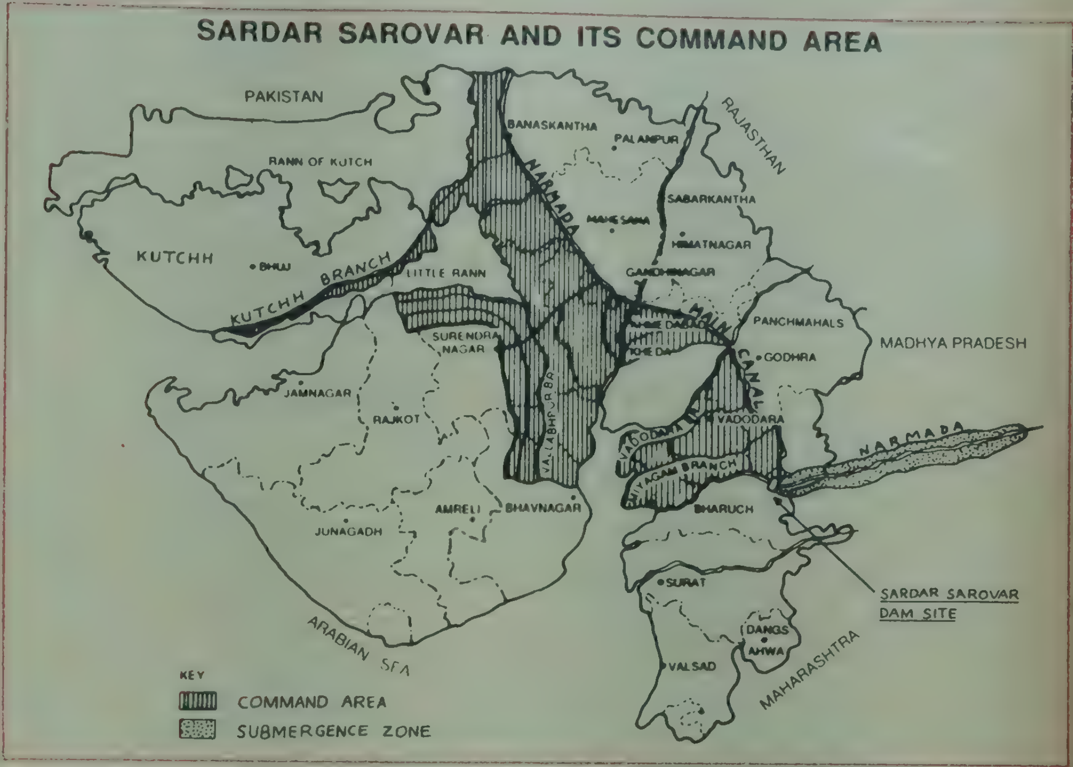
projects are location specific, and represent a concentration of investment capable of benefiting only a small fraction of the country's cultivable area.

If the colossal sum to be spent on the Sardar Sarovar Project — the latest estimate is Rs.13,500 crores — were to be spent on implementing the new approach, it could achieve results like those in Ralegan Shindi in every village in Gujarat. What is wrong with large projects like Sardar Sarovar is well expressed by Baba Amte: "There must be sufficiency for all, before there is superfluity for some." In the new dispensation, recourse would be had to dams, of the smallest size necessary and mainly to meet urban needs, only to the extent that a deficit still remains after fully implementing the new approach.

So, it turns out that the ecological viewpoint shows us a whole new way of thinking about development — the kind of development in which the need for ecological sanity and the demand for social justice coincide and mutually reinforce one another. This convergence of ecology and equity is perhaps the most promising and creative new development in the country today.


SARDAR SAROVAR AND ITS COMMAND AREA
PAKISTAN
RAJASTHAN
BANASKANTHA
PALANPUR
RANN OF KUTCH
NARMADA
SABARKANTHA
MAHESANA
HIMATNAGAR
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BHUJ
KUTCHH BRANCH
LITTLE RANN
GANDHINAGAR
MAIN CANAL
PANCHMAHALS
MADHYA PRADESH
SURENDRANAGAR
KHEDA
GODHRA
JAMNAGAR
RAJKOT
VADODARA
NARMADA
AMRELI
BHAVNAGAR
JUNAGADH
BHARUCH
SARDAR SAROVAR DAM SITE
SURAT
ARABIAN SEA
DANGS
AHWA
MAHARASHTRA
VALSAD
KEY
▥ COMMAND AREA
▨ SUBMERGENCE ZONE

Stupendous cost, unequal distribution of benefits: the most drought-prone and water-scarce parts of Gujarat are outside the command area

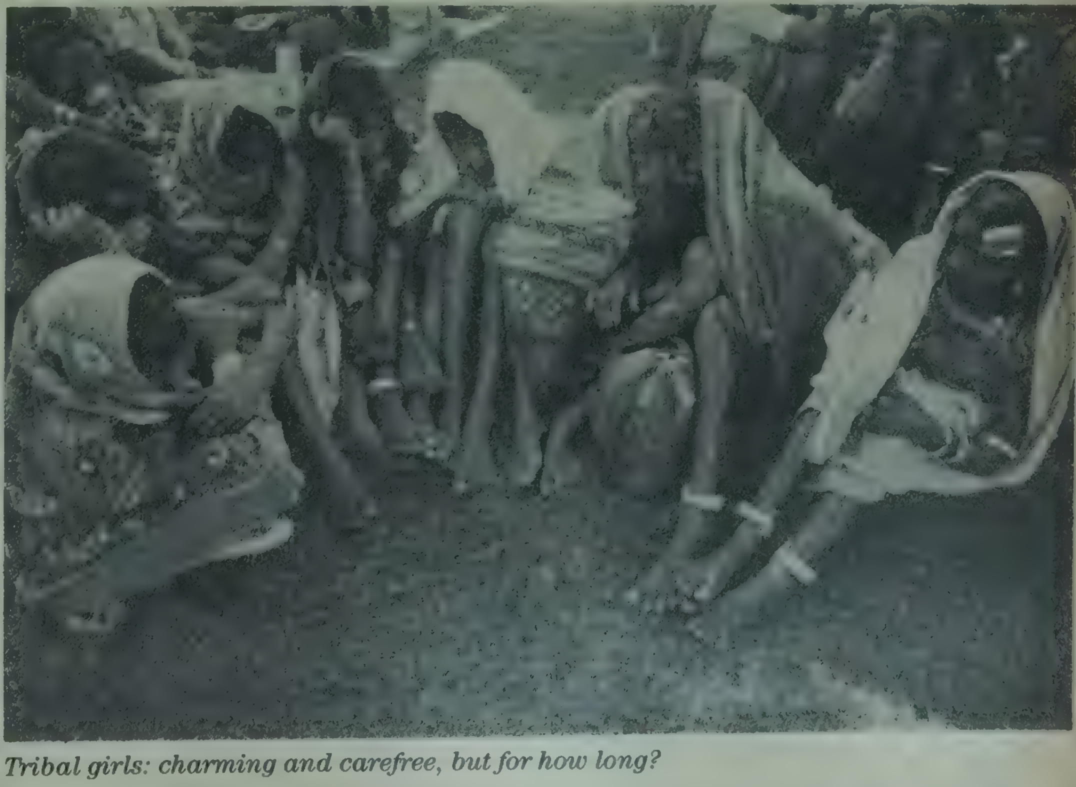
It is not too much to claim that we are witnessing the emergence of a new developmental paradigm, a new way of seeing — of which the critics of 'destructive development' and the activists fighting against large projects are the early representatives. Admittedly, in view of its recent birth, the new paradigm is as yet only imperfectly articulated and all its ramifications have not been clearly spelt out. But the power of its central vision is already evident and its coherence is growing with every year that passes.

False trail

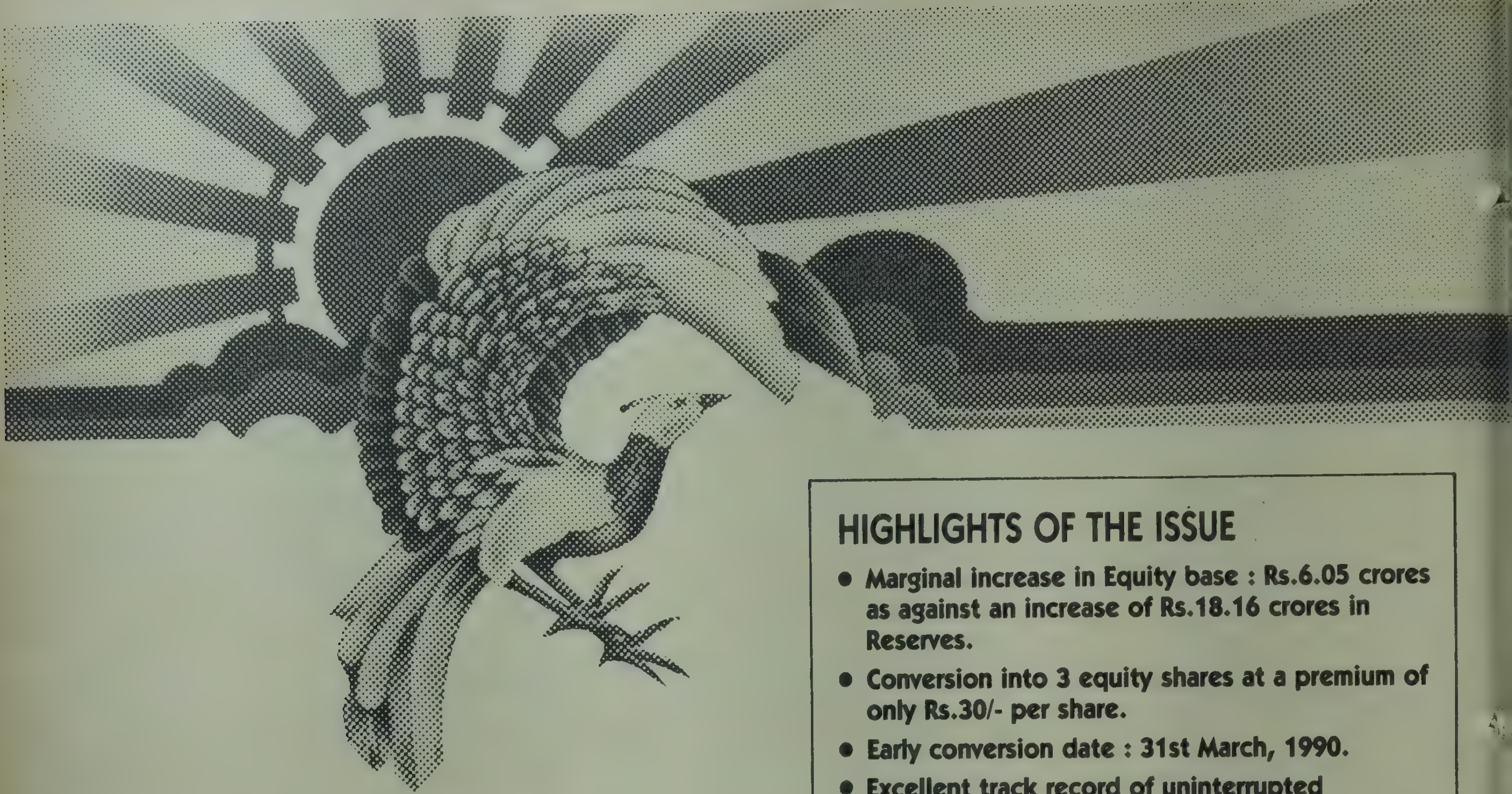
According to the new vision, our economists and planners have been on a false trail. Instead of focusing on people and on how to improve their lives, they have sought to increase production and maximise GNP. They have tended to forget that the ultimate objective of planning is not to produce so many million hectares of irrigation or so many thousand megawatts of power. These things are not ends in themselves — they are useful only in so far as they help in eliminating the poverty of vast masses of our people. This the existing model of development has conspicuously failed to do.

After 40 years of the sort of 'progress' we have had, the gains of development remain confined to the relatively few, and the proportion of people below the poverty line remains more or less unchanged. India continues to be the home of a majority of the world's poor, hungry and malnourished; our so-called planned development has left us poorer than sub-saharan Africa; and our per capita income continues to rank near the bottom of the list of the world's nations. Clearly, the old medicine has not worked, and it is time to change the prescription.

A development plan which has the objective of finding decent and sustainable livelihoods for the entire population would look very different from present day plans for so-called development. It would, first of all, put unemployed rural labour to work on ecological restoration and regenerating the natural resource base which is the foundation of all real development. Village by village plans would have to be worked out — requiring substantial decentralisation of planning and decision-making — for small watershed develop-



Tribal girls: charming and carefree, but for how long?



PRESENTING J K SYNTHETICS DEBENTURES

HIGHLIGHTS OF THE ISSUE

- **Marginal increase in Equity base : Rs.6.05 crores as against an increase of Rs.18.16 crores in Reserves.**
- **Conversion into 3 equity shares at a premium of only Rs.30/- per share.**
- **Early conversion date : 31st March, 1990.**
- **Excellent track record of uninterrupted dividends for 27 years.**
- **New Acrylic Staple Fibre and Nylon Tyre Cord projects already commenced production.**
- **Easy liquidity – the Convertible and Non-Convertible portions of the Debentures will be listed separately on the Stock Exchanges at Kanpur, Delhi, Bombay and Calcutta.**
- **Interest on refunds.**
- **Retention of 15% oversubscription.**

RIGHTS ISSUE OF 20,17,770 – 12.5% SECURED REDEEMABLE PARTLY CONVERTIBLE DEBENTURES OF RS.300/- EACH FOR CASH AT PAR AGGREGATING RS.60.53 CRORES.

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ISSUE CLOSES: MONDAY, NOVEMBER 27, 1989.

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Further, in the event of oversubscription, the Company may retain up to 15% of the issue amount issued to shareholders for which the consent of the Controller of Capital Issues has already been received.

A bifurcated benefit

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To be converted to 3 equity shares of Rs.10/- each at a premium of only Rs.30/- per share on 31st March, 1990, the conversion date.	12.5% annual interest rate payable on a half-yearly basis. To be redeemed in 3 equal instalments at the end of 6th, 7th, 8th years.

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Advisor to the Issue

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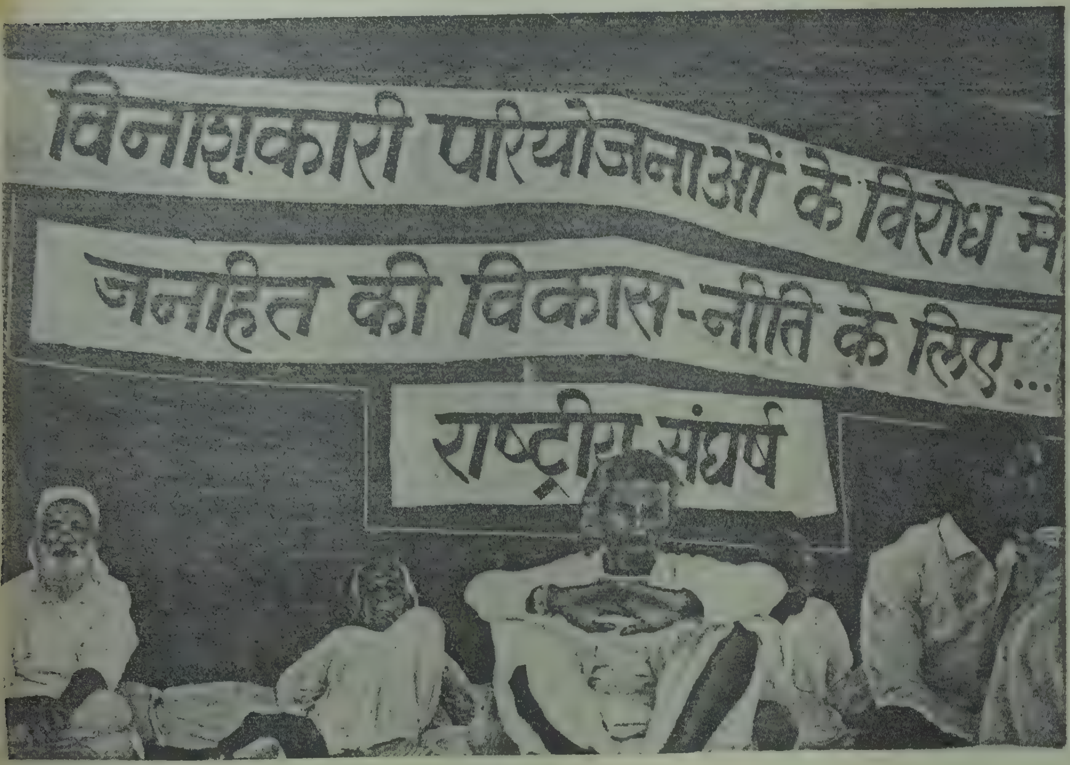
विनाशकारी परियोजनाओं के विरोध में
जनहित की विकास-नीति के लिए...
राष्ट्रीय संघर्ष

Bittu Sahgal/Sanctuary magazine.

Mass movement for a people-oriented and ecologically sustainable model of development

ment, afforestation of all barren and degraded lands, soil and water conservation works, rainwater harvesting and small-scale storage, fodder and pasture development, the development of biomass-based energy sources, and small-scale industries based on agri-silvi-pastoral development.

Greening of India

A country-wide programme of this sort, for the regeneration of the "uncultivated half of India", urgently needs to be recognised for what it is — a prime developmental activity, fully comparable in scope and importance to agriculture, and forming the core of a new strategy of sustainable development capable of eliminating the worst forms of rural poverty and unemployment within a decade. What makes such a strategy even more attractive is that it presupposes the active involvement and participation of the people, and therefore provides a unique opportunity for a major thrust towards democratisation at the grassroots.

The unprecedented turmoil in Indian society today is not unrelated to the imbalances and injustices inherent in the present model of development. In particular, the resurgence of ethnic self-assertion and widespread tribal unrest is frequently the result of patterns of resource use resembling colonial exploitation.

The Narmada Valley Development Project, for instance, is not a project for the development of the valley's resources for the welfare of the valley's inhabitants.

A new developmental paradigm is rapidly emerging, based on social justice, ecological restoration and sustainable livelihoods for all

Rather, it is a project for the appropriation of the valley's resources by outsiders for their own benefit. Irrigation and power from the project will benefit one set of people outside the valley, while the costs will be borne by another set of people for whom the valley has been for centuries their ancestral home.

Violence and exploitation

Such conflicts over the control and utilisation of natural resources are erupting all over the country. In the case of the Narmada valley, the resources in question are the river itself and the surrounding forests and cultivated lands, on which depends the livelihood of hundreds of thousands of tribals and peasants from the backward and weaker sections of our society. On the other hand, the commercially, economically and politically dominant classes from outside the valley want these resources for themselves and are pushing for the project.

It is an unequal contest. The terms of exchange are grossly unjust, just as they were under colonial exploitation. The colonisers possessed military might but lacked the resources; while the colonies had the resources but lacked the power to defend themselves and their interests. It ended with the growth of nationalist consciousness and struggles for independence.

Something very similar is going on in our own resource-rich but otherwise backward, tribal areas. The more developed and powerful parts of the country are dominating and exploiting the more backward and weaker parts. Once again, the unjust and exploitative interaction between the two is creating conditions for the emergence of separatist movements. Where ethnic differences between exploiter and exploited are also present, we have fertile ground for sub-nationalistic aspirations; and once this happens, it is very easy for things to take a violent turn, as we have seen in case after case. The Jharkhand movement is a classic example.

In the Narmada valley, there is already a strong protest movement with considerable mass support. The present leadership is committed to democratic and peaceful forms of resistance; but if a Subhash Gheising were to arise on the scene, the confrontation could easily take a more ugly turn. Violence and terrorism are never far away in such situations. The price of not heeding the activists and critics could turn out to be heavier than anyone imagined.

Green politics

In contrast, the alternative development model — ecological restoration and sustainable livelihoods for all our people — offers the only strategy capable of spreading development more evenly and equitably among all classes and to all regions of the country. Coupled with decentralisation and democratisation at the grassroots, it constitutes a vision of ecological sanity and social justice that is extraordinarily powerful, having the potential to develop into a full-fledged political alternative.

Some such vision of a new Green politics — embryonic, dimly perceived and inadequately expressed — is what ultimately drives the activists and critics of Sardar Sarovar and other destructive mega-projects. To ignore them, or to quibble with them because their vision is not yet fully developed and lacks detail, would thus be foolish indeed.

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of morning coffee.
Cricket scores.
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Ten minutes
of soulful music.
And twin blade pleasure.

Touch of steel on skin.
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Cool smooth shave.
A Wilman shave.

Wilman II
PREMIUM
A masterpiece of international quality
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Shaving Systems
Wilman II
Smooth days begin this way.

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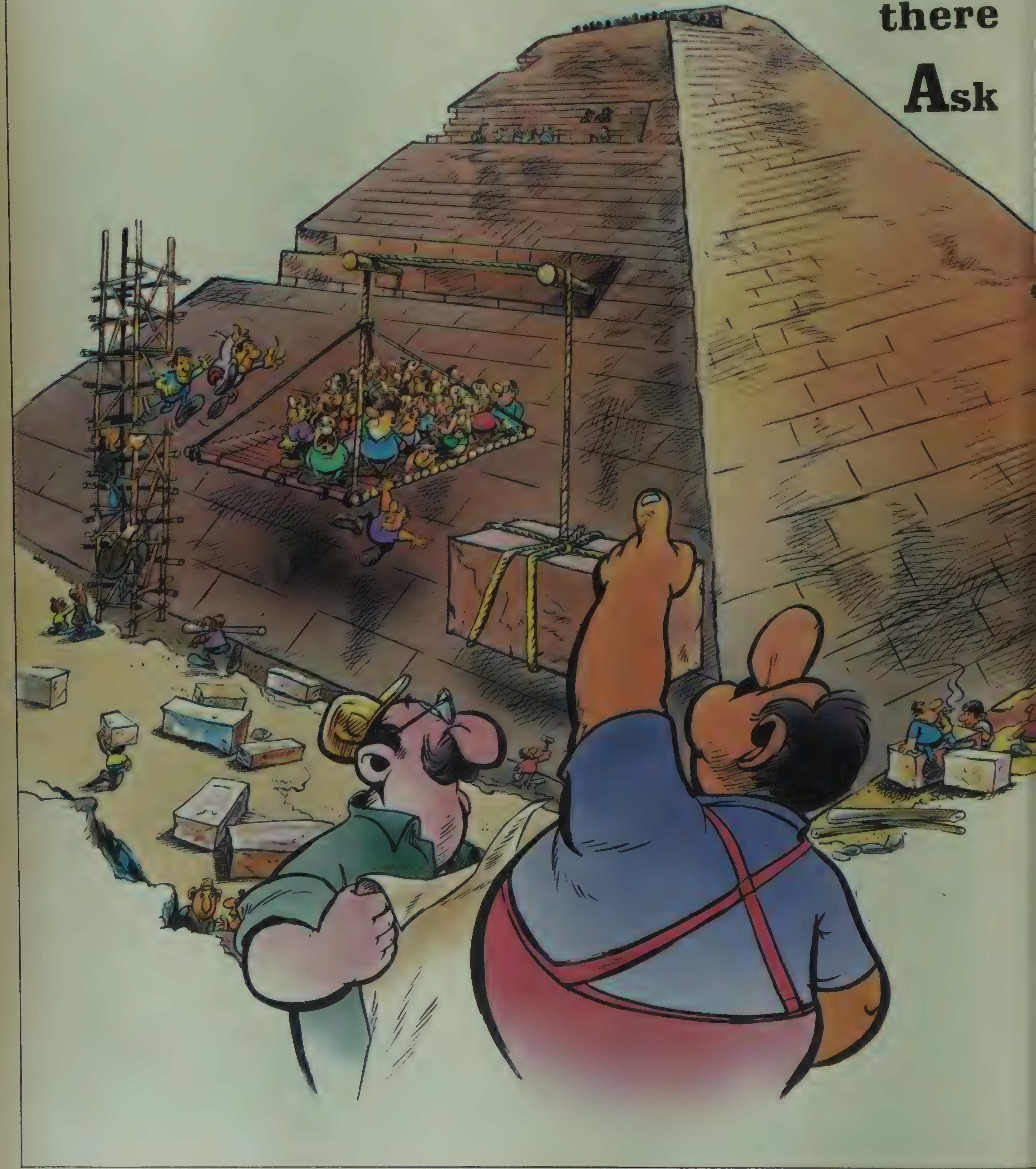

it comes to assembling
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Neyveli Lignite Corporation.

In fact, there seemed to be none in India. Not in 1981. The task called for a crane of proportions that engineers in India had only imagined. A crane with a span of 60 metres, including automatic skew control system for long travel drive with closed loop sensor device. And an underslung rope drum trolley running on single box girder. Nobody had designed and manufactured such an equipment before in India. Nobody could. Or so everyone believed.

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PHARMACEUTICALS

Strategy: marketing's soft underbelly

In any meaningful discussion on marketing today the words strategy and positioning are as inevitable as dark rain clouds in August. Within a company, marketing has two closely identified action areas: one, the strategy formulation aspect and two, the strategy implementation process.

As most marketing practitioners well realise, strategy formulation is no easy task. Marketing managers tend to regard it as a thorny area and it is this negative attitude that allows for little innovation. This tends to occur due to historical factors. Most senior marketeers of today are people who have come up through the ranks. And most of them have been sales managers implementing strategies and more concerned with meeting immediate targets. Strategy development calls for a totally different kind of mind set, which they lack. There lies the rub. In companies where strategy implementation is poor or indifferent it is because the implementors themselves are not fully convinced of its newness or innovativeness. After all, what results can be expected from a strategy which lacks innovation, surprise and audacity? The outcome is often as sterile as the strategy itself.

This is an aspect that assumes crucial significance in the case of pharmaceutical products. The field force in consumer product companies is mainly responsible for selling to the trade. Merchandising has an important but limited role to play because the real demand generation is the onus of the advertising effort. In pharmaceuticals, the field force has a significantly different assignment. It is primarily responsible for demand creation as well as maintaining retail pressure. In fact, without the field force no product can be effectively promoted. Which is why the selling strategy has to be sold to the field force first to get the best results from them.

A routine plan

Consider the case of a company introducing an advanced antibiotic. What, in the normal course, would its marketing plan look like?

The mould is a routine one. The usual promotional ploys include a symposium to which key doctors are invited and subjected to an audiovisual extolling the new product's qualities. Also thrown in is a personal letter to key practitioners and a clinical trial report. Needless to say, plenty of samples are made available and finally the symposium papers are published and distributed amongst the field force. Variations of this and similar plans would be included in the strategy. Such as wining and dining doctors in posh hotels followed by a sales call on the doctor to persuade him to prescribe the newly introduced antibiotics. So much for strategy formulation.

When it comes to implementation, the thinking is no less sterile. On their part sales managers will assure the head office that plans are being implemented as faithfully as possible. Managers back at headquarters adopt the stance that what they have provided as a strategy is brilliant and effective. No average, mundane plan is ever handed down for implementation! But more often than not the only real power in a strategy could be that it provides for more and more samples to give away to doctors.

What tends to get ignored is the fact that any marketing plan has not only to be developed and formulated with considerable care, it should be communicated properly to the entire field force. This, to generate more confidence, build excitement and ensure morale building. With this, even ordinary strategies can get translated into implementation plans. What is more common is that excellent strategies are marred by indifferent implementation.

The real key

The key to both strategy formulation and strategy implementation is in the area of teamwork and excellence. If strategies are monotonous, repetitive and unimaginative what results can you expect?

Strategies have to be developed and sold to the implementors effectively. Only then can superior results be achieved. What companies often fail to recognise is that the field force is the first customer. One must sell the concepts first to ones own implementors and then only to the users. Mere imposition of an idea does not yield the best results. When it becomes an area of shared responsibilities chances of its success are greater.

In some companies it is the sales manager's primary task to get the most out of the field force. The need is clearly to include sales managers in both the strategy formulation as well as the implementation process. Both must forge a strong team to access better coverage and success.

Morale building, a generous dose of inspirational material must be teamed up with a desire to measure results to achieve the best.

The other approach

In one pharmaceutical company, the sales managers were consulted and the strategy was watered down to suit their convenience. The results were equally mundane. The "fortress mentality" dominated another company. Implementation was left to sales managers and head office staff was refused access to working key markets jointly. As a result, resources were deployed indifferently and results were equally indifferent. Obviously there are pitfalls to both extreme approaches.

How much modification of the original strategy should be permitted on the field? This is not an easy area of managerial dictat. If everyone is allowed the luxury of modifying the strategy, the original plan can get diluted beyond recognition. A relevant question: are different advertisements prepared for each individual customer? There is often one advertisement that is effectively run. Not five variations of the same. Similarly, if modifications occur at every step by the field force, the risk of mismatched messages is greater.

It is not possible to have flexibility and freedom of action along with excellence. The line has to be drawn somewhere. This may smack of authoritarianism and managers are known to shy away from marking the boundaries.

The rule that is generally followed is "Get the results, do it your way. We don't want to know how you get the results, as long as you get them!"

Which is a clear case of bankruptcy of creative ideas and thinking. Innovative ideas are vital and their measurement is the key to successful marketing. The process is as important as the final sale itself. ■

TARUN GUPTA

The author is senior vice-president, marketing at Burroughs Wellcome (I) Ltd

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extra fine
Merino Wool
Season
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Occasion
Whenever the intention is
to make headlines

Royal Gold

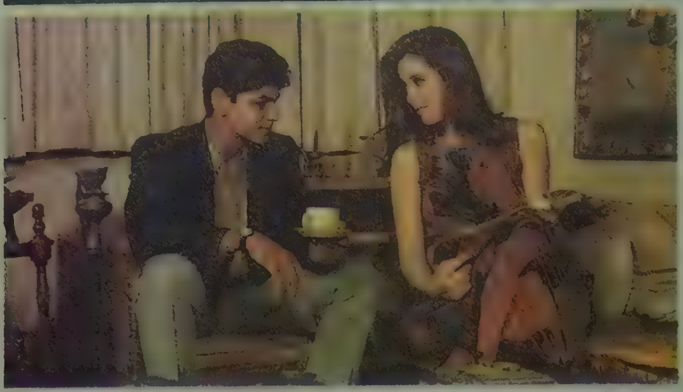
Raymond's

The Final Word.

merino
extrafine
wool

SHE'S HERE.

Or how the Conversation was skilfully steered.



Just look at her, I said to my husband excitedly. Th Wall Street Journal inched lower.(He's a little cautiou you know.) She's the new Maruti 1000, I explaine *Maruti? he queried.* (Aha. We were gettin somewhere.) Imagine a gleaming work of art, style beautifully — aerodynamic is the word, I believ Wrap-around design headlights, tempered glass windows. 5-speed gear shift for that effortle glide, kilometre after kilometre. *Uh?* (An expression I have come to recognize a Go on, tell me more.) Imagine sinking into sumptuously contoured seats, whisper-soft carpetin beneath our feet. S-T-R-E-T-C-H-I-N-G out in a cool, quiet haven. Everything we need at arm' length. Seat belts. Adjustable head restraints, I went on, warming to the subject. *Uh. Uh.*

BOOKINGS OPEN FROM NOVEMBER 14, 1989*

* *Maruti Udyog Limited reserves the right to close bookings anytime after 15 days from the date of commencement of booking, on receipt of a minimum of 25,000 booking applications.*

(After seven years of marriage I knew I was nearly there.) Travelling at a speed that's luxury itself, I continued dreamily. ▶ *Hmm... he responded, folding the WSJ patiently.* ▶ (As you may have gathered by now, my husband is not of a very excitable temperament. But now e appeared visibly moved) ▶ *Sounds interesting, he finally ventured. And rather quickly dded : And what else?* ▶ She's the latest Suzuki model, I continued. Which means she's een nit-picked to perfection. She was launched in Japan only four months back. And is here, in dia. ▶ *The very same car? He actually got to his feet.* ▶ (I could feel the reserve give ay.) ▶ *How do you know all this? he suddenly asked.* ▶ Gossip! I replied nonchalantly, udying my fingernails.

MARUTI 1000

Quite a conversation piece.

MARUTI

Does TV sell?

SYLVESTER DA CUNHA

"Television advertising is a waste of money". So says Prof. Gerard Tellis of the University of Iowa. Tellis has made some rather sweeping generalisations. Among them is that tele-selling "does little to bring people to a new brand".

Tellis' conclusions are based on one test product (a toilet paper) the sales of which he monitored with a panel of 250 consumers. His findings fly in the face of decades old international experience. In India itself one could furnish dozens of examples where television has stimulated sales. But these might be dismissed by marketing purists as being anecdotal and lacking in scientific corroboration. It is exceedingly complex to isolate the impact of television advertising from the bundle of other inputs which affect sales: price, product features, advertising message, sales promotion, merchandising, sales, distribution etc. Rigorous pilot-scale studies to this end have been occasionally attempted and Tellis' work is one such. But are there not more systematic analyses of real-life situations on a mass scale over a wide span of time?

Econometric tests

There are. The Institute of Practitioners in Advertising (UK) has been screening scores of case histories where sales successes can be exclusively attributed to advertising. In many instances it can be concluded that TV advertising was the most active variable in the marketing mix. These cases are published in an on-going series titled "Advertising Works". They have all been subjected to econometric tests to establish that TV advertising does positively spur sales. It is not our purpose here to claim that television is an infallible salesman. The press and other non-electronic media have also proved their efficiency in a different set of circumstances. We cite here a few IPA studies merely to counter the assertion that television advertising is not a driving force for a long established brand.

Since Tellis' experiment dealt with toilet paper, it might be apposite to quote the IPA endorsed case of Andrex toilet rolls spanning a 22-year period. Briefly, soft Andrex rolls were launched in 1956 into a market served by hard flat-sheet packs. Quickly assuming leadership, Andrex held undisputed sway till the early seventies when its share was eroded by lower-priced "own brands". (Own brands or private labels bear the imprint of supermarket chains from where they are exclusively sold at cut rates.) Andrex's plight was compounded by the arrival of giant Kleenex whose "Velvet" was softer and lower priced. Instead of cutting price, "Andrex used TV as the main medium for the first time. The Andrex puppy was born. Intrinsically soft and strong, this canine demonstrator ran away with the roll to show its length and implicit value for money. The result — a runaway success."

Walls Ice Cream is another important example of TV helping to establish a new segment in a mature market. A brand leader for over 50 years, Walls' UK sales had been softening in the early eighties due to price competition from "own brands". The take-home ice cream sector was growing faster than the "hand held" impulse market, and Walls was losing grip of the heavy-guzzling stay homes. It decided to fight back with a chocolate flake ice cream cake, then a relatively new concept in frozen confections. Television was selected as the main medium in only one TV region (Anglia) while the rest of the country ran the same campaign in the press. Says Walls: "In creative terms TV allowed for the product's stunning visual presentation, a unique taste and texture appeal through the use of movement and colour. TV is intrusive and provides high and fast coverage of the target audience. Finally, TV is appreciated by both the retail trade and the sales force that the company is making a serious attempt to build a brand." In the TV area sales grew by a factor of 10 compared to a factor of 3 in non-TV regions.

Facile exercise

While there's little doubt that TV has produced a strong fillip to many products, it has to be stated that as many IPA cases can be quoted where press advertising has proved a more effective sales tool. In balance, it's too facile to coin global theorems for or against any particular advertising medium.

There is little doubt that given the rapid rise of TV time costs, advertisers would willingly cut back on Doordarshan expenditure if they could be shown alternative strategies that would work as well or better. A growing trend in the US is to cut down on national TV advertising and divert the funds into sales promotion.

"Below-the-line" activity, as it is called, does produce short-term sales through couponing, contests, gifts and other consumer incentives. But one has always to keep an eye on what the competition is doing. If an advertiser drastically prunes his TV advertising while his rivals persist in steadily telecasting their wares, he will reduce his "share of voice". What invariably follows is a drop in his brand's top-of-mind recall with the consumer — and the probable loss of market share. In these days of mounting television costs, viable alternatives need to be investigated. But it would be hasty to condemn television's pulling power without a thorough evaluation of all the facts.

The author is chairman, daCunha Associates Pvt Ltd

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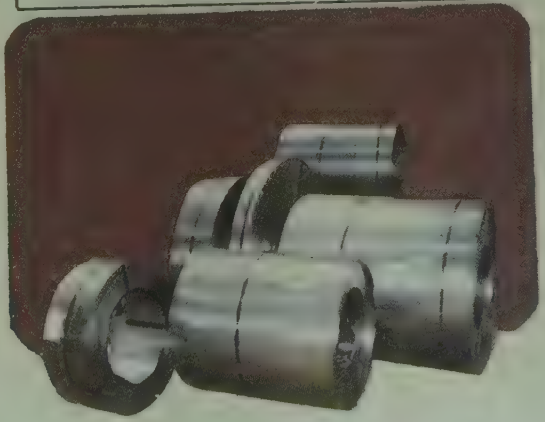

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The banking imbroglio

E.A. RAMASWAMY

There appears to be no end to the travails of pay fixation in government enterprises. They are dogged by the issue of parity. The Bureau of Public Enterprises (BPE) which reflects government's thinking in the matter is a resolute advocate of uniformity in compensation. Public enterprise managements have no choice but to uphold the government's position. And labour is demanding nothing but parity. It is rather mysterious that they are at odds with each other, when prima facie, they stand by the same principle. What really is the problem?

Of the three, labour's position is by far the clearest. The unions stand solidly by the demand that all those who do the same work for the same employer should be paid the same. They have a bagful of arguments in support. Don't we all live in the same society? Don't we buy the necessities of life at the same price? Differential pay, to them, is the most obvious form of exploitation.

Profitable pursuit

It is easy to understand why the unions are so clear-headed. Parity suits them wonderfully. All they have to do is to let the strongest among them bargain the best terms with the most prosperous enterprise, and then demand the same for everyone else. DA has, thus, to be on par with central government employees, and basic wages on par with Indian Oil or BHEL. After these fundamentals are settled, the pursuit of fringe benefits can begin. There are bound to be some disparities in benefits between enterprises across the country, and even between far-flung plants of the same corporation. It is an endless chase, but a profitable one for the unions.

Enterprise-level managements, especially of the not-so-healthy companies, have a problem matching the best paymasters, but have very little influence over government policy. Even top-of-the-shelf firms have their problem, because the BPE not only advocates equality but also lays down how much to give. They can pay more, and would much prefer this course to a showdown. They usually end up violating the norm and getting the government to agree, which further steps up the heat on the less efficient. Paying capacity apart, the major difficulty in this system is that productivity norms and performance-linked incentives which managements would like to clinch, get drowned by the concern for parity and conformity to norms.

The government's own thinking is not so easy to discern. One obvious concern is to contain the wage bill by prescribing ceilings; another is the hope that the push for parity will remove the element of contention and controversy from wage bargaining. But these objectives have not been achieved. The government might have an outside chance of success if its own policies are uniform, which is also not the case. Defending its decision not to extend central government DA to public enterprises, the government has held in an affidavit recently filed before the Supreme Court: 'Government has set up public enterprises as incorporated companies so that they can work really on business lines and not as bureaucratic entities. Government has recently been taking a series of steps to give them more autonomy so that they are enabled to function as commercial entities. All these steps would come to nought if these companies keep on getting increasingly identified with government'. The government is in effect saying that while all men are equal, some are more equal than others. It wants parity and disparity at the same time.

Confused policies

The latest victim of these ambiguous and confused policies is the State Bank of India, whose employees have been on the warpath. The issue at SBI is wage parity with other nationalised banks. Strangely, there is a raging controversy even though such parity has seldom existed in the past.

Let us take a brief look at the facts. The Indian Banks' Association (IBA) which represents employers in the entire banking industry wrapped up an industry-wide settlement with the unions in April 1989. This settlement, termed the fifth Bipartite, offers additional benefits to the employees, but makes no headway in getting the unions to accept computerisation which the banks desperately need. About the only concession the unions have made is to permit each bank to computerise one branch in the entire country.

The SBI which was keen to go ahead with automation was a party to the settlement, but pressed on with the negotiations. The dominant force in the SBI is an internal union led entirely by employees, whereas at the industry level the major force is the All India Bank Employees' Association (AIBEA) which is affiliated to the All India Trade Union Congress (AITUC). The SBI management apparently reckoned that employee leaders, unlike their counterparts with wider linkages, could be persuaded to see that computerisation was essential for the bank's survival. They did indeed succeed in their efforts. What resulted was another settlement offering benefits over and above those granted at the industry level, but also getting union concurrence to far reaching provisions on computerisation. This settlement is a fine example of technological upgradation which balances the interest of labour and management.

The author is chairman, Administrative Staff College of India, New Delhi centre

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The settlement enables the bank to fully computerise both front and back office operations in twenty-five branches and network them with a mainframe computer to be installed at a suitable centre. It permits the installation of electronic accounting machines at more than three hundred locations where transactions exceed a specified volume. It allows the bank to operate note and coin counting machines and automated tellers in metropolitan cities. It even provides for the installation of computer terminals in the premises of important clients.

The settlement states, in addition, that more branches would be added to the above lists each year, but that there would be no reduction in employee strength account of automation.

But the settlement has run into rough weather. The only demand of the agitating union is that what is settled, signed and sealed should be implemented. The management is naturally keen to go ahead, but can't move an inch because its hands are tied by the government which is sitting on the settlement. It is a curious case of an industrial dispute where labour and management are on the same side.

No additional benefit

The government is fence-sitting because of opposition from powerful quarters. The AIBEA and apparently even the IBA have taken the view that the SBI has violated the Fifth Bipartite by entering into a further settlement. On the face of it, neither minds computerisation so long as no additional benefits are given. The IBA in fact hopes that the banks would negotiate over computerisation after the benefits had been settled, which is a case of bolting the stable after the horse has fled. Arguing that the settlement is against the principle of parity in the banking system, the AIBEA has also demanded that SBI employees should not be paid additional emoluments.

Both organisations have their own reasons to be apprehensive. If the SBI goes ahead with computerisation, its services would improve and upset the parity in shoddiness which now characterises the nationalised banks. Left behind by competition, the other banks would turn the heat on the AIBEA in order to keep pace. The IBA is troubled as well. It has toiled for years without any worthwhile progress on computerisation. Both organisations seem to have decided to put pressure on the government to hold back the SBI. Certainly, the AIBEA has done this openly. It called a one day strike in all the nationalised banks, barring of course the SBI, to oppose the settlement, and has threatened to step up the agitation if the government gives in.

The government is caught in a cleft. Should it or should it not give its nod of approval to the State Bank? It is inclined to consent, but afraid of the AIBEA which is cracking the whip of parity. With the elections close by, it has apparently decided to risk a conflict in the SBI rather than in the rest of the banking system. But the government is not shooting down the settlement either, for that would amount to a veto on computerisation.

Going beyond the government's immediate predicament, we must face a fundamental policy question. Why is parity such an overriding goal? And at what cost will it be achieved? From our experience of the public sector, it is abundantly clear that parity and performance cannot go together. The quest for equal compensation has neither removed the element of contention from wage bargaining nor moderated the wage claims of the unions. What is left is the argument that it serves the ends of social justice.

But does it, really? Is it just that an enterprise which can pay better should be prevented from doing so because someone less efficient cannot match that level? Is it just that a more productive worker should be denied the fruits of his labour because someone else is less productive? Or, is the argument that the norm for compensating everyone should be the most efficient enterprise and the most efficient worker? If that be so, who picks up the cost? Is it just that society should be asked to carry the cost of compensating everyone at the level of the most efficient?

The latest victim of these ambiguous and confused policies is the State Bank of India, whose employees have been on the warpath. The issue at SBI is wage parity with other nationalised banks. Strangely, there is a raging controversy even though such parity has seldom existed in the past

What we are hankering after is brute equality which even dictatorial regimes find difficult to achieve. As a free and open society, we have muddled along without either achieving that equality or giving it up. Along the way we have paid a stiff price. We have encouraged the worst to demand as much as the best, and demotivated the best from doing their best. In the process, we have also spawned a new culture which not only accepts every kind of sloppiness as our inevitable lot, but berates anything above the ordinary as elitism. The productive capacities of business enterprises and of individuals will always be unequal. There cannot be much of a future for the public sector, or for this country which has invested so much of its resource in it, unless we accept that the ultimate justice is to give a person his due.

NITIE *ANNOUNCES*

EXECUTIVE DEVELOPMENT PROGRAMME

JANUARY – DECEMBER 1990

AT BOMBAY

Sr. No.	Courses	Duration Week/s	Starting Date
1.	Stores & Inventory Control	2	8 Jan
2.	Human Resources and Organisation Development	1	15 Jan
3.	Systematic Plant Maintenance	2.	22 Jan
4.	Customer Satisfaction for Strategic Planning	1	29 Jan
5.	Robots in Manufacturing Systems	1	29 Jan
6.	Production Management	2	29 Jan
7.	Human Relations	2	29 Jan
8.	Management of Industrial R & D	1	5 Feb
9.	Materials Management	2	5 Feb
10.	Motivation & Industrial Productivity	1	19 Feb
11.	Environmental Pollution and Control	1	19 Feb
12.	Organisation and Methods	2	19 Feb
13.	Office Technology & Organisation for Managers	1	5 Mar
14.	Managerial Leadership & Team Building	2	12 Mar
15.	Computer Based Project Management	1	19 Mar
16.	Computer Systems Analysis & Design	2	19 Mar
17.	Micro Computer Applications in Finance & Materials Management	1	26 Mar
18.	Quality Circles	1	2 Apr
19.	Effective Leadership Styles	1	2 Apr
20.	Purchasing Management	2	2 Apr
21.	Personnel Administration & Industrial Relations	2	2 Apr
22.	PERT/CPM	1	9 Apr
23.	Quality Management	1	9 Apr
24.	Managerial Skills & Decision Making	1	9 Apr
25.	Zero-Base Budgeting in Industry and Government	1	23 Apr
26.	Analysis of Software Requirement Specifications	1	23 Apr
27.	Production Planning & Control	2	23 Apr
28.	Quality Control	2	23 Apr
29.	Value Engineering	2	23 Apr
30.	Applications of Personal Computers	1	4 Jun
31.	Marketing Management for Non-Marketing Managers	1	4 Jun
32.	Construction Management	1	11 Jun
33.	Managing Public Relations for Organisational Productivity	1	11 Jun
34.	Office Management for Middle Level Executives	1	11 Jun
35.	Data Base Management Systems	2	11 Jun
36.	Human Factors Engineering and Productivity	1	18 Jun
37.	Materials Management	2	18 Jun
38.	Production Management	2	18 Jun
39.	Economic Appraisal of Projects	1	25 Jun
40.	Monitoring & Management of Sick Units	1	2 Jul
41.	Sales Management	1	2 Jul
42.	Computer Assisted Marketing Research	1	9 Jul
43.	Management Audit	1	9 Jul
44.	Project Management	2	9 Jul
45.	Industrial Relations for Technical Personnel	1	16 Jul
46.	Heat, Noise & Vibration Control in Industry	1	23 Jul
47.	Condition Based Maintenance	2	23 Jul
48.	Marketing Research	1	30 Jul
49.	Productivity Engineering and Management	1	30 Jul
50.	Corporate Project Management	1	6 Aug
51.	Effective Leadership Styles	1	6 Aug
52.	Spare Parts Management	1	6 Aug
53.	Computer Systems Analysis & Design	2	6 Aug
54.	Personnel Administration & Industrial Relations	2	6 Aug
55.	Safety Management and Hazard Control in Industry	1	20 Aug
56.	Personnel Information Systems	1	20 Aug
57.	Efficient Use of Energy in Industry	1	27 Aug
58.	Investment and Portfolio Management	1	27 Aug
59.	Industrial Marketing	1	27 Aug
60.	Consumer Ergonomics	1	27 Aug
61.	Stores Management	2	27 Aug
62.	PERT/CPM	1	3 Sep
63.	Strategic Financial Planning and Control for Public Sector Units	1	3 Sep
64.	Managerial Skills & Decision Making	1	3 Sep
65.	Quality Control	2	3 Sep
66.	Management of Industrial R & D	1	10 Sep
67.	Office Productivity Improvement Automation	2	10 Sep
68.	Industries & Informatics	1	17 Sep
69.	Human Factors Engineering And Industrial Productivity	1	17 Sep
70.	Marketing Management	1	24 Sep
71.	Programming for NC/CNC	1	24 Sep
72.	Financial Decision Making for Technical & Managerial Personnel	2	24 Sep
73.	Zero-Base Budgeting in Industry and Government	1	8 Oct
74.	Strategy Oriented Production Management	1	8 Oct
75.	Just-In-Time for Indian Industries	1	22 Oct
76.	Organisation and Methods	2	22 Oct
77.	Personnel for Non-Personnel Executives	1	12 Nov
78.	Computer Network	1	12 Nov
79.	CAD/CAM	1	12 Nov
80.	Production Management	2	12 Nov
81.	Micro Computer Applications For Managerial Decisions	1	19 Nov
82.	Productivity Linked Wage Administration	2	19 Nov
83.	Financial Management	2	19 Nov
84.	Industrial Safety Management	1	26 Nov
85.	Motivation Techniques	1	26 Nov
86.	Personnel Administration & Industrial Relations	2	26 Nov
87.	Value Engineering	2	3 Dec
88.	Management Information Systems	2	3 Dec
89.	Purchasing Management	2	3 Dec
90.	Managerial Skills for Technical Personnel	2	3 Dec
91.	Industrial Applications of Micro Processors	1	10 Dec
92.	Workshop on Procurement Quality Assurance	1	10 Dec
93.	Customer Service Management	1	17 Dec
94.	Manpower Planning Perspectives and Problems	2	17 Dec
95.	Organisation & Techniques of Training	2	17 Dec
96.	Systematic Plant Maintenance	2	24 Dec

All courses are residential.

Fee: Rs. 2500/- per week per participant to cover tuition,

Venue: NITIE Campus, Vihar Lake, Bombay.

For further details please write to:

Sr. No.	Courses	Duration (Days)	Starting Date	Ending Date
1.	Value Engineering	5	29 Jan	2 Feb
2.	Applications of Personal Computers	5	19 Feb	23 Feb
3.	Monitoring and Management of Sick Units	5	12 Mar	16 Mar
4.	Computer Based Personnel Management	5	19 Mar	23 Mar
5.	Energy Conservation in Industry	5	25 Jun	29 Jun
6	Customer Service Management	5	16 Jul	20 Jul
7.	Flexible Manufacturing System	5	6 Aug	10 Aug
8.	Industrial Safety Management	5	20 Aug	24 Aug
9.	Materials Handling	5	3 Sep	7 Sep
10.	Managerial Effectiveness	5	24 Sep	28 Sep
11.	Personnel Administration and Industrial Relations	5	8 Oct	12 Oct
12.	Managerial Leadership and Team Building	5	29 Oct	2 Nov
13.	Stores Management	5	5 Nov	9 Nov
14.	Financial Management With LOTUS 1-2-3	5	12 Nov	16 Nov
15	Computer Based Maintenance Management	5	19 Nov	23 Nov
16.	Computer Based Project Management	5	26 Nov	30 Nov

Sr. No.	Courses	Duration (Days)	Starting Date	Ending Date
1.	Project Management	5	8 Jan	12 Jan
2.	Work Study	5	22 Jan	26 Jan
3.	Monitoring & Management of Sick Units	5	5 Feb	9 Feb
4.	Managing Small Enterprises	5	26 Feb	2 Mar
5.	Maintenance Management	5	5 Mar	9 Mar
6.	Managerial Skills for Technical Personnel	5	11 Jun	15 Jun
7.	Computer Based Production Planning and Control Systems	5	25 Jun	29 Jun
8.	Managerial Effectiveness	5	23 Jul	27 Jul
9.	Applications of Personal Computers	5	27 Aug	31 Aug
10.	Computer Based Maintenance Management	5	10 Sep	14 Sep
11.	Computer Applications in Materials Management	5	24 Sep	28 Sep
12.	Computer Based Financial Management Information Systems	5	8 Oct	12 Oct
13.	Spare Parts Management	5	22 Oct	26 Oct
14.	Computer Based Production Management	5	24 Dec	28 Dec

AT DELHI CENTRE

Sr. No.	Courses	Duration (Days)	Starting Date	Ending Date
1.	Managerial Skills for Technical Personnel	5	29 Jan	2 Feb
2.	Zero Base Budgeting in Industry & Government	5	12 Feb	16 Feb
3.	Just-in-Time For Indian Industries	5	26 Feb	2 Mar
4.	Management Information Systems	5	26 Mar	30 Mar
5.	Energy Conservation in Industry	5	23 Apr	27 Apr
6.	Industrial Safety Management	5	30 Apr	4 May
7.	Industrial Application of Micro Processors	5	28 May	1 Jun
8.	Occupational Health & Safety	5	30 Jul	3 Aug
9.	Project Management	5	27 Aug	31 Aug
10.	Flexible Manufacturing System	5	10 Sep	14 Sep
11.	Communication in Industry	5	24 Sep	28 Sep
12.	Industrial Marketing	5	29 Oct	2 Nov
13.	Computer Based Maintenance Management	5	5 Nov	9 Nov
14.	Computer Applications in Materials Management	5	26 Nov	30 Nov
15.	Managing for Excellence	5	31 Dec	4 Jan

AT BANGALORE

Sr. No.	Courses	Duration (Days)	Starting Date	Ending Date
1.	CAD/CAM	5	8 Jan	12 Jan
2.	Human Resources Management Concepts and Practices	5	15 Jan	19 Jan
3.	Managerial Leadership & Team Building	5	5 Feb	9 Feb
4.	Just-in-Time for Indian Industries	5	23 Apr	27 Apr
5.	Finance for Non-Finance Executives	5	30 Apr	4 May
6.	Spare Parts Management	5	14 May	18 May
7.	Computer Based Maintenance Management	5	18 Jun	22 Jun
8.	Managerial Skills for Technical Personnel	5	8 Oct	12 Oct
9.	Materials Management	5	24 Dec	28 Dec

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The question of export ability

ARUN MAIRA

The author was till recently executive director of Telco. He is now a senior consultant with Arthur D. Little Inc, Cambridge, Mass, USA

Something needs to be done. If it is not being done, there are two responses. The first is to find out why it is not being done and then do something about it. The second response to the failure, often characterised as an "Indian intellectual" response, is to question why the thing needs to be done at all!

Indian engineering companies must improve their exports substantially. These companies, with very few exceptions, cannot export more because they do not have the right types of products, have not developed adequate marketing capabilities and have a long way to go to improve their internal operations management. This is the general picture. Within it, there are great variations in the capabilities and individual firms. So, given the same Indian "culture" and infrastructure, more is being achieved by some by setting higher standards and organising determinedly to attain them.

Good-management

In an era of shortages and very restricted competition, even the sluggards could get by. More competition and more demanding customers are now compelling everyone to tone up. Exports to "restricted" markets where trade arrangements, rather than open competition, determine export possibilities are possible even for firms who have yet to meet international standards. Firms who more rapidly improve their products, their marketing capabilities and their operations management (quality, productivity, timeliness, inventory, waste restriction) — without which they cannot export to competitive hard currency markets — will be the winners in the domestic market also. Export ability, in short, is good management.

Actual exports can be affected by trade barriers. But the lifting of trade barriers will result in very little increase in engineering exports. If the US were to announce tomorrow that imports of engineering products from all countries other than India shall be barred, we will not see a flood of Indian cars, such as they are, replacing all the Japanese and European cars in the US!

A survey of US consumers' perceptions of India as a source for engineering products showed that so far we have a clean slate to write on. We have to accomplish six things to satisfy the requirements of customers in the US (and in other competitive markets).

First, we must understand the market and the customers' requirements. Second, we must develop products (and services) which meet those requirements. Third, we need an effective means of distribution — of reaching our target customers. Fourth, our after-sales service must be at least as good as our competition's. Fifth, we have to create an awareness of India as a potential source for quality engineering products through well managed publicity. Sixth, we have to tempt customers with sufficiently lower prices to risk switching from products and sources they are familiar with.

"Entry price"

We cannot offer less because we charge less. This is our "entry price", to enable us to establish that we can deliver the same value, quality and service as the competition. When the Yugoslavs launched their Yugo in the US car market, they failed to deliver on reliability, quality and service — which are threshold requirement. As a result, they lost the market, even though their price was much below their competition's.

Price raises the thorny question of cost. Does India have any inherent competitive advantage in engineering products? On one hand, material costs are high in India. Also, the scale of our manufacturing plants is relatively small. These are negative factors. But, on the other hand, we have very competent and very cheap engineering personnel.

We can be very cost competitive in any sector which has a high manpower input, like computer programming and systems analysis. There is also a market, hardly exploited by India yet, for engineering design services. The relatively small scales at which we operate can be an advantage in several engineering sectors where there is a demand for small volume high variety and even custom-built parts.

There are several ways to distribute products and also to service parts, like selling to OEM's and using "contract logistics", which can reduce initial outlays. Marketing can be focused in select regions or to select customer groups where there is the best chance to succeed. So look carefully before you leap.

A very senior delegation of the Confederation of Engineering Industries (CEI) was in the US earlier this month, to assess what needs to be done to increase India's exports to the competitive markets of advanced countries, will set high standards to meet. Top managements can use these very visible standards throughout the organisation and systematically improve their export abilities. Better products and improved marketing can enable higher prices. Better operations management can reduce costs.

As the organisation improves, it will find it easier to meet the competition in India's traditional export markets and will be also more able to manage costs and improve sales and profits at home. Export ability will contribute to the corporate bottom-line.

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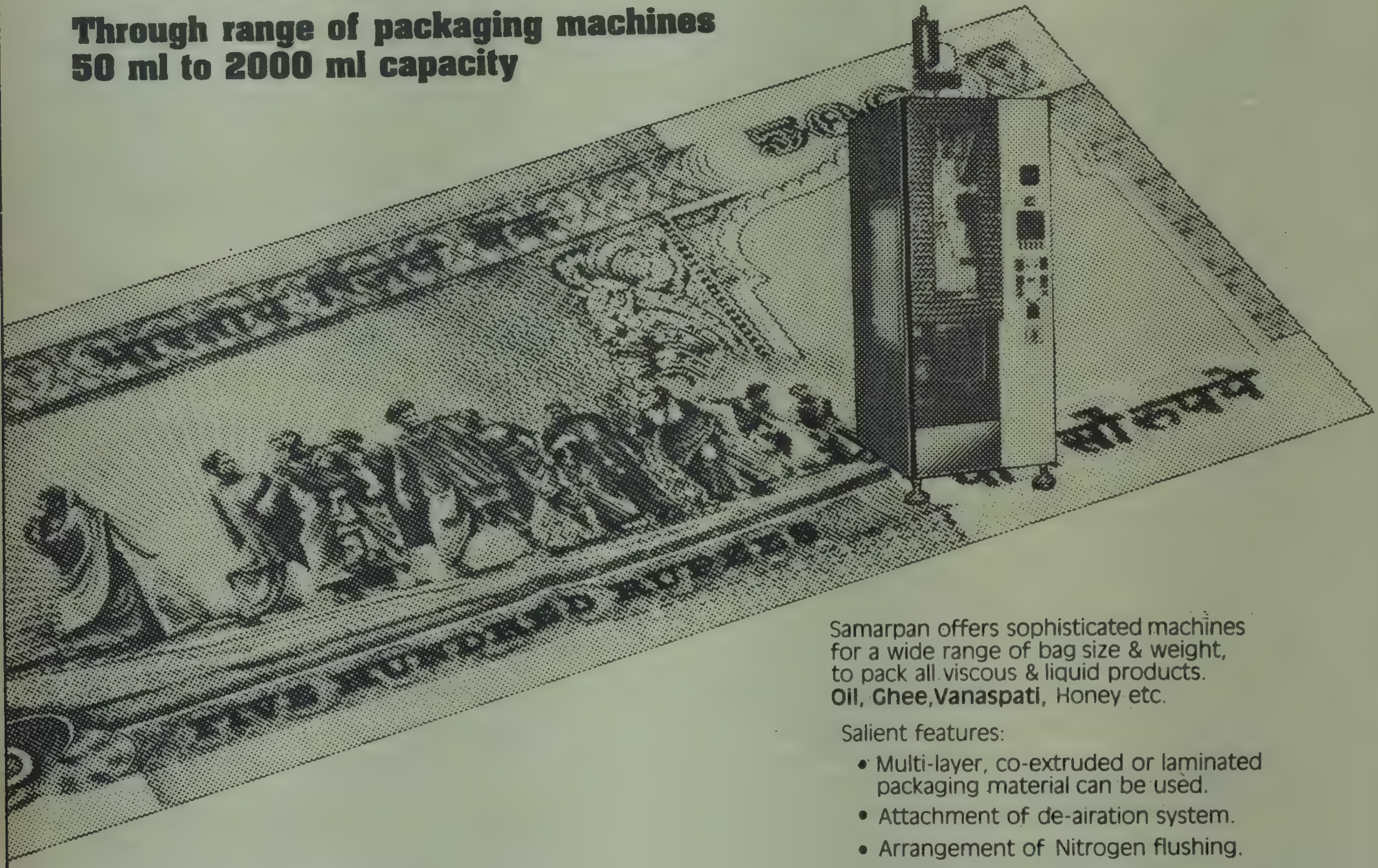

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For those who subscribe to the limited view that the sole purpose of business is to generate profits, the concept of business as a process of learning would appear an alien one. That precisely was the theme of the five-day working conference organised by the Taj Continuing Education Programmes earlier this month. The setting — a palm-fringed beach resort in Goa — was perfect for exploring this seemingly abstract idea that has caught the attention of human resource development (HRD) managers and management consultants worldwide.

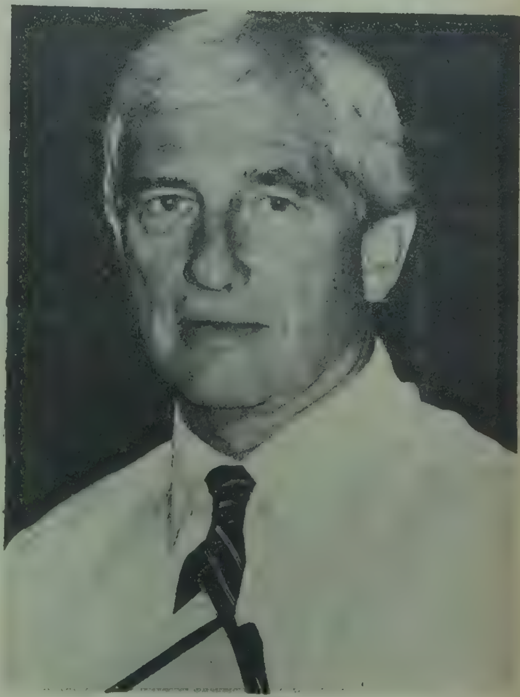
The idea of this conference germinated in November last year when V.S. Mahesh, vice-president (human resources), Taj group met American management guru Harrison Owen, at another conference in Mexico. "We discovered," explains Mahesh, "that of the many concerns of a CEO, the prime one for the nineties is the problem of lifelong learning". Accordingly, the two got together and decided to have a working conference which would endeavour to deal with this idea.

Owen, an Episcopal priest by training, has been a consultant specialising in organisational transformation and development for the last 10 years. For him, the conference theme seemed a logical extension of a paper he had earlier written — 'The business of business is learning'. According to him, "the global forces of change make it an absolute demand that businesses should adopt a learning mode".

This means, in effect, that learning should become the core activity around which everything else within the organisation revolves. While this may appear to be an esoteric exercise, it does hold the promise of concrete benefits: lower manpower turnover, high staff morale, a collaborative and healthy union-management equation and better productivity, profitability and growth.

The 30-odd participants were handpicked — participation being by invitation only — and mainly from the personnel management field. Practising managers in Indian companies, teachers, consultants and management writers from both India and abroad, together formed a formidable bank of knowledge and experience.

Invitees arrived with varying levels of expectation. Rajesh Vidyasagar, general manager, personnel, VST Industries Ltd, Hyderabad, came "to meet creative people from creative organisations and learn from them". The venerable Dr. K.S. Basu, founder-director of the Jamnalal Bajaj Institute of Management Studies, Bombay, approached it with some degree of scepticism. Jagdish Parikh managing director, Lee and Muirhead, being a businessman and the sole representative of the CEO community was curious to see how his views would coincide with those of the others.



Owen: 'The business of business is learning'

The conference in progress: simple and informal

Multicultural mix

Of the foreign visitors, Ronnie Lessem, author and management teacher at London's City University Business School, who was on his first visit to India, had a clear objective: to share western management perceptions and pick up eastern principles. For Anne Stadler, a TV producer with King TV in Seattle, who had made documentaries on India in the past, it was being back in familiar territory. The conference theme tied in with her interest in organisational transformation. This multicultural mix was to throw up an interesting crossflow of ideas emanating from totally different mind-sets and experiences.

Apart from its novel, forward looking theme, another unique facet of the conference was the technology employed. The facility of on-line networking by computer made the conference a truly electronic one. Developed by the Virginia based Meta System Design Inc, the Meta network enabled, in theory, each participant to log in and communicate via the host computer in Virginia with their American counterparts. Sadly though, the telephone lines in Goa refused to co-operate and the marvels of the technology at hand remained a mystery for most participants.

But by far, the most unique characteristic of the conference was the manner in which it was conducted. No advance agendas were set or keynote addresses prepared or papers expected to be presented. Owen, as chief orchestrator, opted for an approach which he calls "open space technology" which gives people the option of creating their own time and

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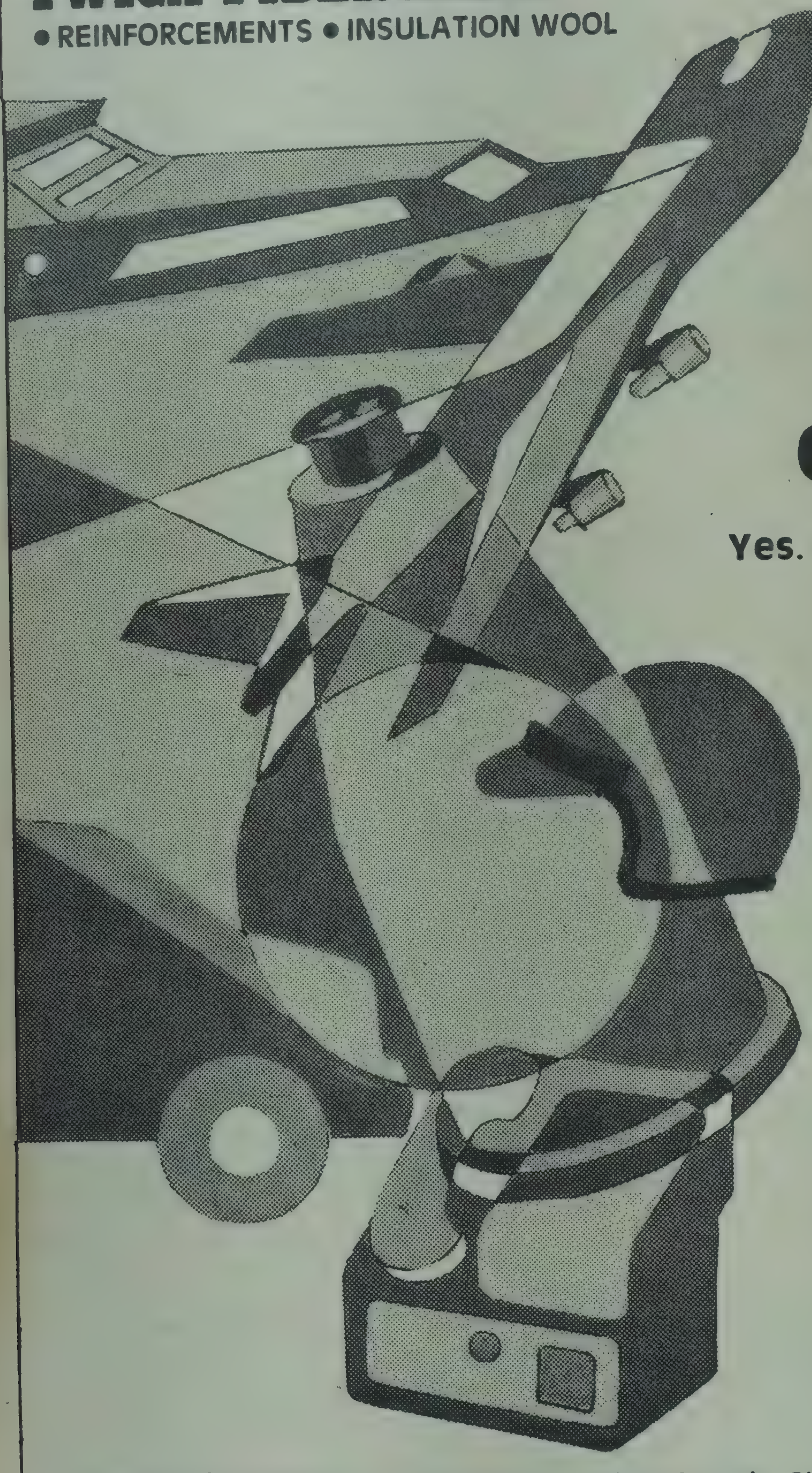

Expressions BEYOND the expected

Yes. without your even knowing it.

It is most likely that

- The Airport lounge chair you sat in the other day had TWIGA Fiberglass as the reinforcement.
- The brake lining in your car is reinforced with TWIGA Fiberglass for added safety.
- The boat you saw the other day was made of TWIGA Fiberglass.
- Your airconditioning system has TWIGA Glasswool insulation.
- The pump motor in your Farm house has TWIGA Fiberglass sleevings.
- The Fridge in your house has TWIGA Glasswool insulation.
- And of course, your helmet is made of TWIGA Fiberglass.

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Bhumeeka

space. In most conferences, Owen explains, people say it is the coffee breaks that are the most enjoyable part. Therefore, he decided, creating an environment of coffee breaks would evoke more response and involvement.

How exactly does "open space" work? The circular seating arrangement sans tables, provided a clue. After an initial round of introductions, Owen went on to explain that the agenda and structure would have to be created by the participants themselves keeping in mind the four guiding principles:

- Whoever comes is the right person.
- Whatever happens is the only thing that could have.
- Whenever it happens is the right time.
- When its over, its over.

Accordingly, the agenda evolved on the basis of the simple and informal practices followed in the village market place and the scout camp. Any participant who cared to share or explore a particular idea or concept simply wrote it out in brief on a paper sheet which was tacked onto the wall. Those wishing to join a certain discussion group had only to sign up for it. The time and venue for the discussion were set by mutual convenience. People were free to join or break off from any group and set their own pace of participation. The only musts were two meetings at 9 am and 5.30 pm everyday to take stock of the day's proceedings. The summary of each group discussion had to be logged into the computers located in the common conference room.

There was minor pandemonium as the group splintered into four separate, subgroups. The topics of discussion ranged from the metaphysical — "achieving self-actualisation through work" — to the practical — "how to renew an old and dying organisation". A bold but none the less complex question, "What is learning?" formed a part of one set of deliberations. Another pertinent issue raised was that of "resolving the conflict between teamwork and interpersonal competition". These discussions took place over the next three days — the final day being devoted to the summary.

The deliberations of day one were confined to the conceptual. The intellectual process was put on display as participants presented a series of alternative models and flow charts. Debates were heated but there was a certain element missing. It soon became evident that merely cerebral thinking would not do. Prasad Kaipa, employed with Apple Computer Inc, admitted in dejected tones, "I don't feel I have learnt anything." This not only echoed the feelings of the group, but also precipitated a subtle transformation which took place in the discussions of the following day.

Mahesh: the man behind the show

As Owen reports, "It seemed as if we had entered on a common journey in which our collective and individual consciousness was both the vehicle and the object of inquiry." Defences were totally let down and group members shared experiences freely and openly. This flow was kept up until the final day. And the richness of thought and ideas that were generated was evident from some of the findings.

Vision statement

Out of one group emerged a vision statement for the organisation of the nineties and the specific strategic actions that business leaders should take. The central feature of an evolved organisation would be permitting ordinary people to actively participate in core activities. The business leader should, it was felt, play the role of an enabler and facilitator by providing a supportive environment, an atmosphere that is secure and friendly.

A set of nine action plans were chalked out to make business leaders learning community developers. An important plan that emerged was the need to develop global learning centres for transformational management. The human resource manager would, necessarily, have a key role to play in any learning system. Indeed the onus would be on him to make it happen.

The complex task of defining learning was taken up by another group. Here, a distinction was made between conceptual knowledge and that gained through experience. Quite often learning is associated with pain or even a sense of emptiness. Anxiety tends to create blocks to learning and recall. Different kinds of learning modes and styles were discussed as well as how they could be integrated into executive development programmes both in the US and India.

Intense debate was the hallmark of the group discussion on teamwork versus interpersonal competition. Do people in pursuit of individual recognition give their whole-hearted contribution to the team's goals? Both views, negative and positive, were expressed. But significantly, the conclusion was that if people could be charged with a sense of purpose, then each team member would strive to excel, at the same time, contributing considerably to the team.

This conclusion was arrived at by drawing on the example of the conference itself. Though individuals were given open space, each one got deeply involved and gave his/her best. Therefore, much better results could be obtained by creating such spaces within organisations. The feasibility of the concept was argued, but the consensus was that by demonstration and example — even though it may be in the face of substantial opposition — an effort could be made.

Flood of ideas

There was a veritable outpouring of ideas and the above represent just some of them. Owen terms this, "an explosion of the spirit". Lessem says he was struck by the variety and calibre of the thinking: "There was a marvelous give and take." For Anil Sachdev, general manager personnel, Eicher Motor Ltd, New Delhi, the conference broadened his global perspective of business. A deep sense of achievement, of having arrived at an important conclusion in their work lives, was felt by all.

The conference in Goa, termed the Fort Aguada Beach Resort, India Conference (FABRIC), will be followed by its counterpart a month later in the hills of West Virginia, USA. The output of both these conferences will eventually be compiled in the form of a book to be published in January next year.

As Owen sums up: "We started on a quest. And it turned out to be a remarkable journey into a collective consciousness." In that, the conference was a truly intense learning experience.

■ NAAZNEEN KARMALI

Striving ever harder to satisfy every customer need...

"Ours is a quality-driven company. I believe quality is the only force which has the capacity to energise the entire organisation and focus its efforts towards achieving business results."

Dr. Bhupendra Kumar Modi
Chairman & President

On 27th April, 1989, the Board of Directors of Modi Xerox unanimously elected Dr. Bhupendra Kumar Modi as Chairman. Dr. Modi, who was personally responsible for bringing Xerox to India, has helped to establish Modi Xerox as the undisputed leader in the industry. The following is an excerpt from Dr. Modi's review of the company's performance, delivered at the Annual General Meeting on 26th September 1989.

1988-89 has been a Year of Consolidation. We have matured as a company and been able to maintain a steady profit position. I am pleased to recommend our maiden dividend of 11%.

We have worked with single–minded dedication towards improving business results through better controls, better utilisation of our plant capacity and resources, greater focus on the development of our people and a conscious drive for achieving customer satisfaction and quality in every single area.

One of the major reasons for our success is the fact that we have the best partners in the business. We have benefitted greatly from the technical advancement and experience of Rank Xerox. I would like to thank our collaborators, our customers, our employees and our growing family of shareholders for their continued support.

MAINTAINING A STEADY PROFIT POSITION

Our Net Profit before Tax for 11 months stands at Rs. 5.01 crores – an annualised growth of 8% over last year. The Cash Profit at Rs.9.16 crores for 11 months shows an annualised increase of 6%. Our revenue has increased to Rs. 88.09 crores for the period ending March 1989. At Rs. 96.10 crores annualised, this reflects a growth of 19%.

Return on Net Assets has also improved to over 10% annualised. The interest cost of 5.5% of revenue is a significant improvement over 7.1% last year and has resulted in better profits. There is a reduction in absolute terms as well – from Rs. 5.73 crores to Rs. 4.48 crores. The Debt Equity Ratio has dropped to 1.58 from last year's 2.19. In the long–term, our goal is to increase our RONA to 20%.

CONSOLIDATING OUR MARKET LEADERSHIP

Despite competitive pressure, we have been able to increase our market share to 43.2%. Our year–end sales productivity showed a 20% increase over last year.

The number of our machines in field now exceeds 15,000 and our copy volume has crossed the billion mark – an annualised growth of 48% over last year.

This year we also launched the 2510, India's first engineering plan printer and the 1038, a programmable desktop copier with many value-added features.

GOVERNMENT POLICIES: GIVING OUR BUSINESS AN IMPETUS

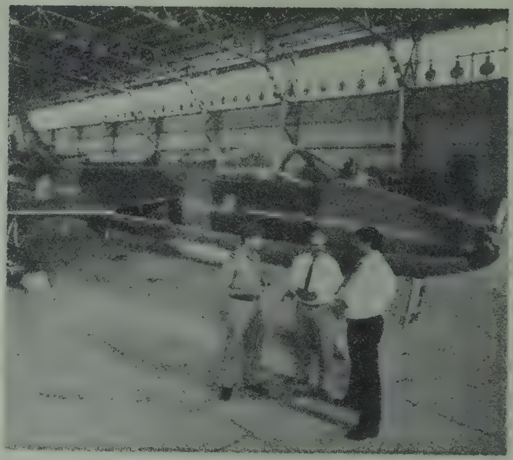
The new industrial policy of the Government allows sale of parts manufactured as OEM to the extent of 25% of the value of licensed product. We now have an opportunity to sell photoreceptors, sub-assemblies, toner and developer to other companies.

The implementation of the GATT Valuation Rules for Customs purposes is a very welcome step.

Our continued manufacture of toner and developer has made significant contribution in import substitution and helped save considerable foreign exchange. Competition continues to rely only on import of toner and developer, the import volume of which is continuing to grow, leading to higher foreign exchange remittances. The manufacture of toner and developer by other manufacturers is not economically viable on account of lower economies of scale, coupled with low import tariffs and easy access to imports under OGL for stock and sale. The Government needs to look into this aspect.

WINNING CUSTOMER CONFIDENCE AND LOYALTY

The drive for customer satisfaction in every area of our business has won us strong customer loyalty. Today more than 50% of our business comes from existing customers. We are now setting up a computerised Customer Complaint Management system to improve our service even further. A Customer Satisfaction Measurement Survey revealed that Modi Xerox is seen as the No. 1 copier company.



HARNESSING PEOPLE POWER

We spend over Rs. 1 crore on training. Our trainer: employee ratio is one of the highest in India. All our employees are exposed to international training programs developed by Xerox and Rank Xerox. Our training programs are integrated with the principles of Leadership Through Quality — the global Xerox strategy aimed at fully satisfying customer needs.

RESPONDING TO NEW CUSTOMER NEEDS

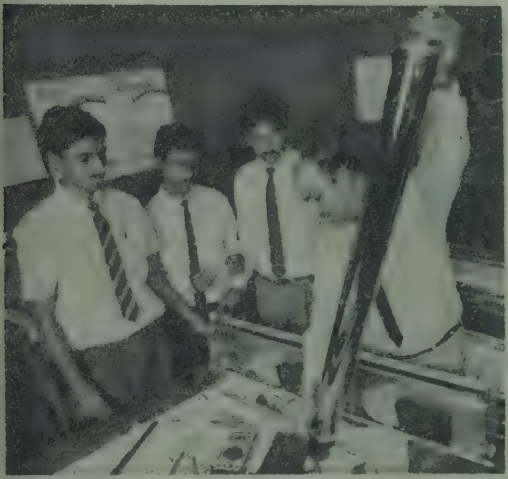
This year, we set up the Special Business Division to help us explore business opportunities in new market segments. The

2510, which was launched by the SBD, has not only enriched our product offering, it has extended our customer base.

In response to market needs, the SBD also launched MX Business Paper, polyester film, tracing paper and telecopier paper for facsimile machines. Our range now includes the entire gamut of EIS throughput material.

In 1988-89, MX 75 acccounted for one-third of the branded copier paper sold in the country.

We now plan to double the SBD turnover from Rs.8.5 crores in 1988-89 to Rs.17 crores in 1989-90.



SETTING EVER-HIGHER STANDARDS OF SERVICE

Preventive Maintenance continues to be an important focal point of our service strategy.

We have increased the productivity of our service engineers through better Time Management and have appointed Commercial Engineers with the dual function of sales and service in 14 locations.

Our distribution system is unrivalled in flexibility and speed. Our network now covers 65 branch-outs, including several in remote areas. We are also improving spares supplies at the branch level and continue to maintain the fastest response times in the industry.

FOCUSSING ON PLANT PRODUCTIVITY

The Rampur Plant is one of just 2 fully-integrated plants in the Xerox world, that manufactures copiers, special materials and parts, under one roof.

This year, our focus has been on improving the returns on our investment in Rampur through better capacity utilisation. We have been able to significantly improve the productivity of the plant without any major capital investment, through innovative management practices and a new layout, with built-in flexibility for error-free process flow.

We have also introduced contemporary concepts like Value Engineering, Just-in-Time Inventories and Statistical Process Control.

We have increased machine production by 17% annualised over last year and have doubled the output of both the toner-developer and photoreceptor units. The capacity utilisation of our toner-developer plant is now 60% going to 100% by the end of the year.

We are examining the possibility of manufacturing frames, fuser rollers and pressure rolls to accelerate indigenisation and help us maintain a better control over both cost and quality. Our R & D department is playing a major role in giving an impetus to our in-house manufacturing plans and our value engineering efforts.

Our special materials team, with the support of Rank Xerox, was able to successfully develop the coating formula for the Japanese 1025 model photoreceptors. Today ours is the only plant outside Japan which manufactures these photoreceptors.

We have invested more than Rs.1 crore towards the safety and health of employees, the safe disposal of effluents and the preservation of the environment.

As part of our Effluent Control and Energy Conservation Management, we have installed a solar energy-based effluent treatment system — the only one of its kind in the entire Xerox world.

DRIVING FOR QUALITY IN INDIGENISATION

We have met our Indigenisation Plan with continued focus on quality and reliability of parts. We are bringing our vendors in line with the global Xerox drive to improve the entire manufacturing process and have full-time personnel for the quality assurance and training of vendors.

Indigenisation in Modi Xerox entails tremendous engineering efforts and investment. For example, we have invested around Rs. 2 crores in moulds and toolings to support the indigenisation efforts of our vendors.

To suit our future plans for Just-In-Time Inventories, we will be developing a team of first-rate, reliable vendors in the vicinity of our plant.

BECOMING AN INTEGRAL PART OF XEROX

This has proved to be a landmark year in which we have emerged as mature partners of our collaborators. In recognition of our engineering capability, Rank Xerox has signed an agreement to source 1025 and 1038 model copiers from us on an ongoing basis for their international markets. The initial order of 3000 machines valued at around Rs.9 crores is the single largest export order placed with us and makes Rank Xerox our biggest customer.

We continue to offer technical consultancy to Xerox Shanghai and Xerox Eygpt. We have also added a new dimension to our exports with a maiden order for consumables from Xerox Shanghai.

Today Modi Xerox is the only export-oriented company in the copier industry. With exports at Rs. 12.19 crores F.O.B. for the period 1st April, 1988 to 31st March, 1989, we have exceeded our obligation for the third year in succession.

PLANNING FOR EXPANSION AND DIVERSIFICATION

The 1990s will see us reaffirm our pledge to our two main priorities – satisfying customer needs and improving business results.

We plan on expanding our product range even further and maintaining a strong presence in both domestic and export markets. We are also exploring the possibilities of diversifying into related areas of office automation.

We have maintained our leadership from the start. And we intend to remain the leaders.

Our aim is to make Modi Xerox the No. 1 Quality Company in India. With the dedication of our team and your continued support, I am sure we can do it.

This does not purport to be a report of the proceedings of the Annual General Meeting.

LAKSHMI CEMENT

JK MAGNETICS

CHAIRMAN'S STATEMENT

At the 50th Annual General Meeting

It gives me great pleasure to welcome you all to this 50th—Golden Jubilee—Annual General Meeting of your Company. A Golden Jubilee is an important milestone in the life of an individual or an institution and it is most certainly a joyous occasion. Having started with a small Board Mill in 1939, your Company has grown into a multiproduct enterprise producing high quality speciality Papers and Boards, Cement and Magnetic Tapes.

It will be in the fitness of things to remember and record the farseeing vision and great contribution of Sir Padampat Singhania, Lala Kailashpat Singhania and Lala Lakshmipat Singhania, who laid the foundation of your Company's, in fact the Group's, growth saga. To these stalwarts and pioneers, I pay my humble tributes.

The jubilation of achieving 50 years of growth has been dampened by the sudden and untimely demise of your Managing Director, Shri Shripati Singhania on 4th December 1988. He was the driving force behind the Company's expansion programme and new projects. The void created by his demise will be difficult to fill. On behalf of the shareholders and employees of the Company and on my own behalf, I pay humble homage to the departed soul.

CORPORATE RESULTS

You have with you the Directors' Report and the audited accounts for the 15 month period ending 31st March 1989. Briefly, sales and other income for the 15 month period are Rs. 156.39 crores as against Rs. 115.73 crores last year and the gross profit Rs. 22.22 crores as against Rs. 15.93 crores for the previous year. Net profit together with surplus brought forward is Rs. 11.06 crores. Transfer to Reserves absorb Rs. 3.59 crores and the proposed dividends Rs. 3.14 crores. The surplus of Rs. 4.33 crores is being carried forward.

Your Directors have recommended for your approval a higher Equity dividend of 30% in addition to the fixed Preference dividends for the 15 month period as against 20% Equity dividend paid by the Company for the previous 8 years in succession.

All this has been achieved despite the dull and depressed market conditions that ruled all through the period under reference both for Paper and Cement, your main products. It is only by the end of 1988 that there has been some improvement. The ever increasing costs of raw materials, power, fuel and other inputs continued unabated affecting the margins adversely.

The bamboo forest operations in the State of Orissa have been nationalised from October 1, 1988. This has resulted in the cost of your main raw materials—bamboo and hardwood—being more than doubled. Besides, there is a decline in the supply level from the Orissa Forest Corporation and we have to purchase substantial quantity of bamboo and hardwood from other States at considerable cost. The cost of imported pulp has also increased substantially.

Thanks however to good house keeping like conservation of energy and water, improved recovery of chemicals and better efficiencies and economies, the Paper Division pulled through a difficult situation. Modernisation as also the expansion of your Paper Mills completed during the period under review at a cost of Rs. 45 crores has also started yielding results. The several coveted awards received by JK Paper Mills for energy conservation, safety, productivity performance and capacity utilisation are but an indication of the continued emphasis of your Company on productivity efficiencies.

I am extremely happy to note that your Lakshmi Cement Plant achieved cent per cent capacity utilisation with better efficiencies and productivity. The balancing-cum-modernisation scheme under implementation at your Cement Plant at a cost of Rs. 10.5 crores, when completed, should further reduce power and coal consumption and improve the productivity of this unit.

The Audio Magnetic Tape Project set up under the name JK Magnetics at a cost of Rs. 11.25 crores went on stream in March 1989. I am happy to note that the quality of the audio tapes produced at the said plant compares favourably with the most reputed international brands and the product has been well received by the music recording companies. Quality blank tapes of JK Magnetics will be in the market place shortly.

EXPANSION AND DIVERSIFICATION

Your Directors have reported to you of the ambitious growth plans involving new investments of the order of Rs. 400 crores. It is proposed to undertake a major expansion programme for increasing the cement manufacturing capacity of the Company to more than double. This along with the expansion and diversification plans of the Magnetic Tape Division is estimated to cost approximately Rs. 200 crores. Further, the Company has plans to diversify in petrochemicals. It has been granted a Letter of Intent for manufacture of 60,000 tonnes per annum of Linear Alkyl Benzene (LAB), which is the raw material for synthetic detergents, for which there is a growing demand in the country. This project is estimated to cost around Rs. 200 crores. The Company would be entering the capital market at the appropriate time to raise finance for these projects.

THE ECONOMIC SCENE

1988-89 was an exceptionally good year with 9.5-10 per cent GNP growth against the drought stricken 1987-88 when it shrank to 3.4 per cent. Industrial production went up by 8.8 per cent. This helped push aggregate growth in the first four years of the Seventh Plan to an average of 5.4 per cent. Indications for the next year are that growth in real national income will hold and maintain the 5 - 5.5 percentage rate, with agriculture showing 3 to 3.5 percentage growth on account of good rains, industry at least 7.5 to 8 percentage growth. However, recently there has been a significant drop in foreign exchange reserves which is disconcerting. The recent trends of increase in whole-sale and consumer price indices as well as increase in net RBI credit to Government are also negative features of serious import that require urgent attention.What is required is sustained effort to maintain and step up growth, so as to beat back inflation and generate still larger surpluses for export, which is something of a categorical imperative in our situation.

Shri Hari Shankar Singhania

CREATING A FAVOURABLE GROWTH ATMOSPHERE

The Eighth Five Year Plan which is awaiting final approval by Government, Parliament and the National Development Council seeks to step up growth to an average of 6 per cent per year and aims at an outlay of over Rs. 645 thousand crores.

I sincerely hope that the private sector and particularly the corporate sector would get an increased share of investment in the Eighth Plan. The outlay of the corporate sector in the Seventh Plan was 17.5% and I would plead for this being stepped up to 25% in the Eighth Plan. The public sector should concentrate on infrastructure, transport, irrigation and some core sectors already with them where the emphasis should be on increased production and productivity. The balance of manufacturing activity should be left to the private sector which should be also allowed to play its role in areas like power, ports, telecommunications, etc. In fact, the public sector should go in for disinvestment in some of the manufacturing undertakings which are not in the core sector.

In the last five years, under the able leadership of Shri Rajiv Gandhi there has been major policy liberalisation with a view to promote competition and open up the

STRAW PRODUCTS LTD.

HIGHLIGHTS

- GOLDEN JUBILEE YEAR OF THE COMPANY – A SAGA OF GROWTH AND ACHIEVEMENT.
- SALES AND OTHER INCOME OVER RS. 156 CRORES. GROSS PROFIT OVER RS. 22 CRORES.
- MODERNISATION AND EXPANSION OF PAPER MILLS COMPLETED AT A COST OF RS. 45 CRORES.
- JK MAGNETICS – AUDIO TAPE PLANT COMMENCES PRODUCTION.
- RS. 400 CRORES INVESTMENT PLANS FOR EXPANSION OF CEMENT AND MAGNETIC TAPE UNITS AND DIVERSIFICATION IN PETROCHEMICALS.
- THE OUTDATED CONCEPT OF "CONCENTRATION OF ECONOMIC POWER" MUST BE DONE AWAY WITH TO ENABLE INDIA TO FIND A PLACE IN THE INTERNATIONAL ECONOMIC SCENE.
- MAJOR POLICY LIBERALISATION UNDER THE ABLE LEADERSHIP OF PRIME MINISTER, SHRI RAJIV GANDHI–WELCOME STEP TOWARDS PROGRESS.
- CORPORATE SECTOR SHOULD BE ALLOCATED INCREASED SHARE OF INVESTMENT IN THE 8TH PLAN.
- BOLD & INNOVATIVE MEASURES REQUIRED TO MEET THE ESTIMATED DEMAND OF 31.68 LAKH TONNES, FOR PAPER, BY THE TURN OF THE CENTURY. RAW MATERIAL AVAILABILITY A MATTER OF CONCERN.
- REMOVAL OF PRICE AND DISTRIBUTION CONTROL OF CEMENT AND THE MEASURES TAKEN FOR HOUSING DEVELOPMENT ARE POSITIVE STEPS. FURTHER URGENT STEPS NECESSARY TO STIMULATE DEMAND.

Indian economy, through relaxation in controls and regulations. The concept of Minimum Economic Size (MES) has been introduced. However, one must concede that even large Indian companies are very small as per international standards. The plethora of controls, especially covering MRTP and FERA companies continue. If India wants to have a niche in the international economic scene, it would have to do away with the outdated concept of "concentration of economic power" which has dictated the policies and controls for over three decades.

The ever rising domestic price level and the depreciating value of Rupee are not conducive to our industry turning competitive, which is a prime requisite. High Customs Duty on capital goods compounds the problem. Should we not consider adjusting the Customs Duty in line with the depreciation of Rupee to contain capital costs? Should not a special Excise Rebate Scheme be introduced, for a certain period, for new units to off-set the high investment costs? All this calls for innovative fiscal and monetary policy measures, in the latter area as much as in the former, considering the high interest rates that obtain. The basic thrust of policy in the forthcoming Plan and beyond should be to create conditions for competitive growth, for paring down capital costs and costs of raw material inputs, to stimulate domestic demand and encourage export effort.

PAPER INDUSTRY

On a number of occasions in the past, I have been drawing the attention of the authorities both at the Centre and the States to the alarming situation in which the paper industry is placed. I have also emphasised that unless bold and innovative measures are initiated, it would be difficult to meet the demand for paper by the turn of the century, estimated at 31.68 lakh tonnes. Though the paper industry has been designated as a core industry, minimum economic scales have not been fixed or a comprehensive programme drawn out to meet the said demand.

Out of the 305 paper mills today accounting for a total installed capacity of 30.14 lakh tonnes, about 25% with a capacity of 6.25 lakh tonnes are closed, several are running on borrowed life and only a few are running on marginal profits. Thus there is great need to rehabilitate the idle capacity. Sick units should be revived by merging them with profit making units and by giving them all props like removal of 'clubbing of clearances' for purposes of excise duty and granting excise concessions as applicable to small units.

Another deterrent for growth of the paper industry is the increasing scarcity of raw materials. It is estimated that by the turn of the century, the gap in the availability and requirement of forest based raw materials would be 43.21 lakh tonnes. Unfortunately, the Government has put a complete ban on development of industrial plantations in private sector or even in joint sector which is a retrograde step and is against the long term growth of integrated paper mills. Paper industry requires only a marginal 8 to 10% of the total forest degraded land or 1% of the total land mass for industrial plantations to meet its needs of raw materials. Such a demand should be viewed with pragmatism, since such plantations will not only help in greening the degraded forest lands, but also bring in latest management and scientific techniques like the cloning etc. In no case, this should go counter to overall environmental and ecological considerations. I would, therefore, urge the Government to review their decision and lift the ban on the development of industrial plantations.

CEMENT INDUSTRY

As a result of pragmatic Government policies, Cement Industry grew at an unprecedented record pace during the last 8 years, the capacity increasing from 29 million tonnes to 57 million tonnes and production from 21 million tonnes to 43.5 million tonnes.

Demand, however, did not keep pace with cement production, resulting in underutilisation of capacity created at a great cost and effort. This situation, apart from being a national waste, resulted in great hardships for the cement companies.

The cost of production continued to increase unabated as administered prices like that of coal, power, railway freight etc., have been increasing year after year. This demand-supply scenario coupled with increased cost of production has come as a great set back for the cement industry, particularly for newer units, whose cost of capacity creation, due to inflationery pressures, increased steeply. Most of these post-1982 new units are unable to recover their capital related costs i.e., interest and depreciation, what to say of making profits and servicing capital.

I welcome the removal of price and distribution controls on Cement industry effective March 1, 1989. I also welcome the further measures taken by the Government through establishment of National Housing Bank, launching of Bima Niwas Yojna by LIC and the general liberalisation of terms for housing loans by RBI. Further urgent steps need to be taken to stimulate demand of cement which is still at a low level.

In the face of National Planning of 100 million tonnes of capacity by turn of century, the present scenario of profitability in cement industry does not encourage further investment. To attract investment in this vital nation building industry, it is necessary to create conducive climate like that of 1982 by extending support to the new units in the form of excise duty rebates, waiver of import duty for equipments imported under Government policies for expansion, modernisation and new capacities.

ACKNOWLEDGEMENTS

Before I conclude, I would like to take this opportunity of expressing my appreciation to all the workers, staff and officers for their hard and dedicated work. I would also like to thank the Financial Institutions, Banks, State Governments and the Members of the Board of Directors for their continued support and cooperation extended to us.

JAYKAY

This does not purport to be a record of the proceedings of the Annual General Meeting.

CREDIT POLICY

Applying the brakes

In March 1989, the governor of the Reserve Bank of India announced a credit policy which introduced commercial papers and certificate of deposits, freed interest rates, and took measures to create an active secondary money market. But the latest policy announced on 9 October, for the coming busy season, carries a differrent message to the banks: growth has slowed down, please apply the brakes on credit, before RBI applies a sledge hammer.

A circular to the chief executives of scheduled banks from the RBI governor provides interesting numbers. Real national income, for instance, is expected to grow by 5 per cent in 1989-90, against an estimate of 10 per cent in 1988-89. The wholesale price index has increased by 6.9 per cent from March to September 1989, against a 3.8 per cent rise in the corresponding months of 1988. Though the growth of overall liquidity (M3) remains the same, money supply (M1) has expanded by 6.4 per cent during financial year upto September 1989, against 2.7 per cent last year. Coupled with the fact that growth in industrial production is expected to show a decline, the reasoning behind the RBI's announcement becomes quite clear. The growth in bank credit, which was 22 per cent in the 12 months ended August 1989 must be slowed.

Unwelcome measures

There are two major restrictions. First, export credit refinance, with effect from 4 November, will be restricted to 75 per cent of the increase over the monthly average of 1987. At present, the refinance is 100 per cent. Second, the incremental non-food credit-deposit (C/D) ratio, with effect from the same day, should be limited to 60 per cent. A violation will attract a penalty of additional 3 per cent interest on any refinance drawn from RBI.

Predictably, bankers have not welcomed these restrictions. Says S.M. Pathak, general manager of Bank of India, "It is true that there is about Rs.1,700 crore of unutilised balance with RBI. But exports are growing. Since we barely cover our costs with refinance, the option to draw 100 per cent refinance should be retained."

However, no one expects export credit to be really affected. Apart from the necessity to finance exports, given the country's trade deficits, the fact remains that the banks make a tidy sum on foreign exchange and other transactions that goes with such credit.

The move to restrict non-food C/D ratio, however, has been universally welcomed. It is to be noted that RBI has not imposed a blanket limit of 60 per cent. Banks are free to do it with their own money, provided, there is no refinance drawn from RBI. This measure is targeted for the coming busy season, since currently, most banks have an incremental non-food C/D ratio less than 60 per cent.

Besides these two restrictive measures, there are two which are disciplinary. First, the banks have been cautioned that they cannot draw refinance from RBI and simultaneously lend in the money market. In other words, if a bank has a surplus on any day, it should be first used to reduce the outstanding with RBI. Violation will again attract a penalty of additional 3 per cent interest on the borrowings from RBI. However, says V. Mahadevan, deputy managing director, State Bank of India, "I personally feel banks should be allowed to use export refinance to lend on call, since there is an opportunity cost to financing exports."

RBI has removed the ceiling on housing loans. Banks can now lend more than Rs.3 lakh to an individual

To limit window dressing of year-end financial reports, the RBI has announced that during the fortnight beginning 24 March and ending 4 April, banks will not be allowed to draw from RBI's discretionary refinance without prior sanction. Outstanding in such accounts have to be repaid on or before 24 March.

The rest of the announcements are liberal in nature. Term loans by banks, which carry a fixed interest of 15 per cent, will now be minimum 15 per cent and flexible upwards, ie; without any ceiling. The ceiling on working capital loans has already been taken off.

However, not much upward variation is expected since the rates are not comparable to that offered by financial institutions. Furthermore there is a lot of competition in the industry.

Slabs merged

Short term deposit rates between 46 to 90 days have now been increased from 6 to 8 per cent and merged with the next higher slabs, ie, 91 days to less than one year. RBI's policy is to have fewer short term rate and time structure. A.C. Shah, executive director of the Bank of Baroda, suggests that since many savings bank account holders maintain an almost permanent minimum balance in their account, this cushion should also be treated as a term deposit, and a higher interest paid on it. Says Shah, "though the cost to the banks will be more, the payment of higher rate is quite justified." In fact, many foreign banks are already offering the highest slab on such permanent balance, by transferring the balance in term deposit.

RBI has also removed the ceiling on housing loans. Banks can now lend more than Rs.3 lakh to an individual. The minimum lending rate for the component above Rs.3 lakh will be 16 per cent. (upto Rs.3 lakh, 14.5 to 16 per cent). The universal reaction is that the rates are too high.

To facilitate the culture of usance bills, the RBI has prevailed upon the government to exempt stamp duty charged on all bills routed through banks. "While this is no doubt a positive step," says a senior banker, "the problem is discipline. Many large organisations, including the public sectors, refuse to accept bills, because when they do, they have to pay in time."

Asked to summarise the present policy, a senior banker said, "RBI's primary concern is inflation, and the main pressure is from the government's deficit financing. The net RBI credit to the government has increased by 12.4 per cent in the first half of the financial year, (against 10.8 per cent in corresponding period last year)." With elections having been announced, growth in money supply is not expected to decrease. "On the other hand, I don't see how national income can rise any faster," says the banker. "It is net credit to government that needs to be mainly controlled."

But, leaving aside the government's credit demands, how does this policy fare? "It is a nicely blended policy," says Mahadevan. "The liberal pattern of the last two policies remain. It will not hurt production and yet constrains banks to play with excess liquidity."

■ DIPANKAR MITRA

Mr. G.V. Krishna Reddy, Chairman, Novopan India Ltd. and GVK America, Inc. seen with Mr. S.B. Chavan, Hon'ble Union Finance Minister, Govt. of India and His Excellency Mr. James G. Martin, Governor, State of North Carolina, U.S.A. after the ceremony performed on 29th Sept., '89.

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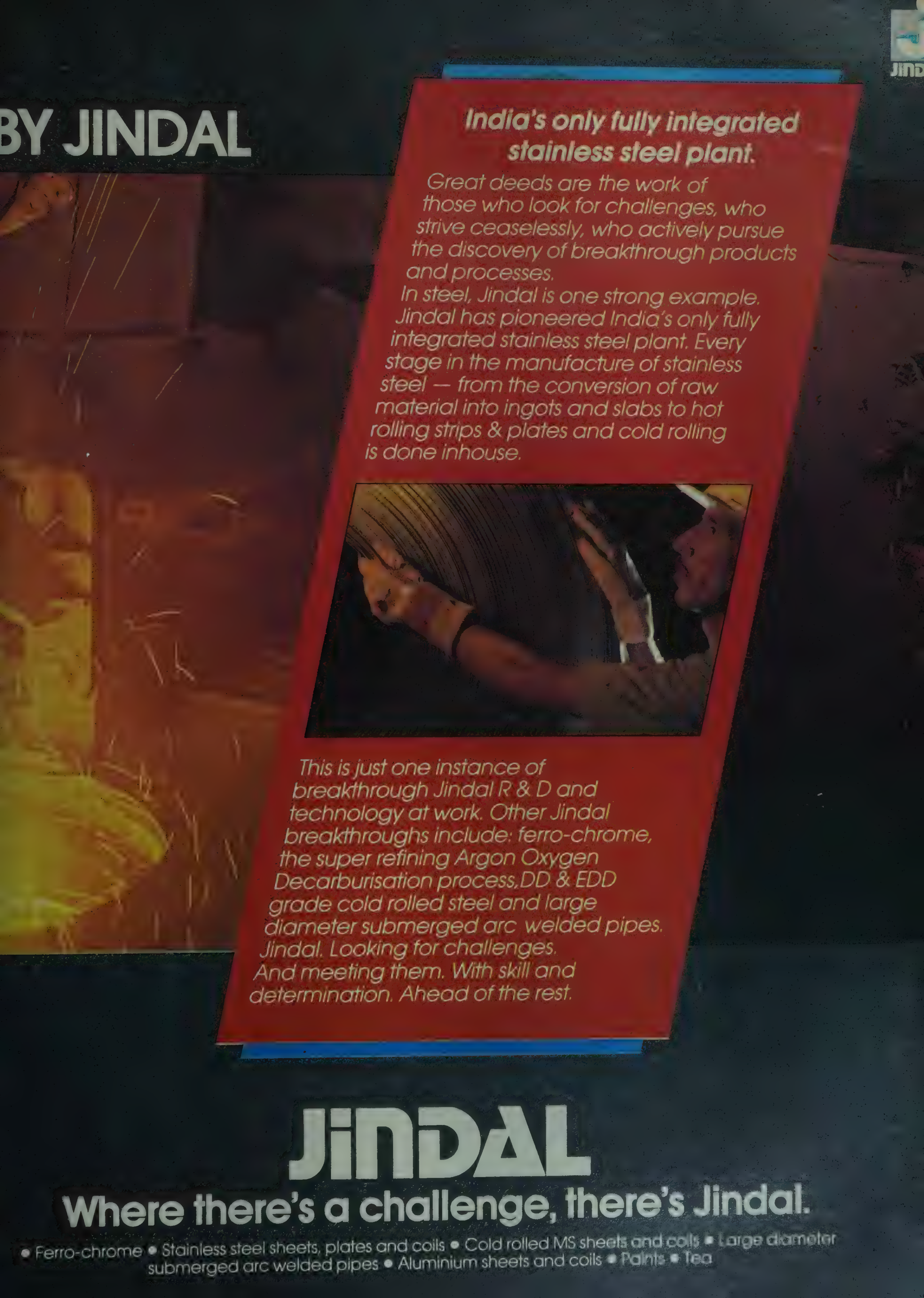

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EXCISE RELIEF SCHEME

A half-hearted move

On 20 October 1989, the country's corporate world was in for a pleasant surprise — the union finance ministry's seven month late announcement of the excise relief scheme for sick units. The scheme will provide interest-free loans to weak industrial units for regaining their economic health.

The scheme was first announced by the union finance minister in March this year at the time of presenting the union budget. According to it, any organised sector, industrial unit, whose accumulated losses at the end of any financial year have eroded 50 per cent or more of its net worth, will be eligible for the relief. Net worth for the purpose will have to be the maximum level achieved in the immediately preceding five years. The scheme would be applicable to all industries covered under schedule I of the Industries (development and regu-ation) Act, 1951 but does not cover ancillary undertakings, as defined under the act.

The scheme has come as a part of the rehabilitation package offered by term-ending financial institutions like IDBI, ICICI and IFCI to a sick industrial unit. The amount of loan will be 50 per cent of he excise duty paid by the unit in three years subsequent to the date of approval, so long as it does not exceed 25 per cent of he overall cost of the rehabilitation package.

How and when

The procedure for sanction and disbursement of the loan will be as follows: The eli-ible sick unit may make an application or the sanction of excise loan to the desig-ated financial institution. The financial institution, after finalising the package, will process the application and forward it o an empowered committee in the de-artment of economic affairs, ministry of nance for its approval. If approved, the isbursement shall be made at the end of ach financial year or on such frequencies s may be decided over a period of three years. The repayment of the loan will be ver a period of seven years in instalments ith a moratorium of three years.

The immediate reaction of the various ndustry associations to the scheme was a mixed one. While All India Association of Industries welcomed it, Indian Merchants hamber (IMC) found it grossly inadeuate to tackle the sickness of a unit. "I ertainly welcome it as a good relief to sick units", says Rohit Patel, president, IMC and managing director of Rohit Pulp and Paper Mills, "but more important is the freedom to close down unviable units or shed excess labour for the survival of a unit". Viren Shah, president ASSOCHAM and chairman of the Bombay-based Mukand Ltd also echoes Patel's view. "Sick units should be allowed to die naturally", comments Shah "the nation can't be burdened (reliefs are provided out of tax payers' money) for a few thousand industrial workers".

Tax consultants, who have studied the new scheme more carefully, however, have been more specific in their observations. Vikram Mehta, senior partner in C.C. Choksey and Company, for example, feels the scheme is only a "half-hearted" effort. According to him, originally, in the budget it was announced that the loan amount will be 50 per cent of the excise duties paid in the last three years and not, "to be paid in the next three years", as announced now. "The earlier proposed would have provided the cash to a sick unit when they need it most", says Mehta. Another problem is that, for operations, units will obviously need to arrange for bridge loans at high interest rates, now that the loan money will come only as re-imbursement of the actual duty paid. Mehta also feels that, since this scheme is going to be a part of the rehabilitation package, the financial institutions will immediately reduce their assistance to the extent the excise relief is available. "In effect, it will reduce the burden on the institutions, while, for the needy units, the additional relief may not come", says Mehta.

Highlights of the scheme

- The loan will be given to sick industrial units whose networth has been eroded by 50 per cent.
- The amount of loan will be 50 per cent of the excise duty to be paid in the next three years.
- The loan will be interest free.
- Repayment of the loan should be within seven years, in instalments, after a moratorium of three years.
- IDBI, IFCI, ICICI and IRBI are designated financial institution for the disbursement of the loan.
- Disbursements will be done at the end of the financial year or as per terms agreed.

B. Mehta: bureaucratic wrangles fearsome

Well-intentioned, but...

Bansi Mehta, another well-known tax consultant in Bombay, feels that, although the scheme is well intentioned, like any other policies of the government, its implementation may pose problems. Of which, according to him, the bureaucratic wrangles will be the most fearsome. "RBI has well-defined guidelines for soft loans to sick units, but few banks honour them", complains Mehta.

Sceptisism apart, the new excise relief scheme *per se*, is certainly a positive move. It is, in fact, a relief offered to a sick unit one step before it goes to BIFR. A unit becomes eligible for BIFR's rehabilitation scheme only if

- its net worth is completely eroded
- it made cash losses in last two years
- it should have been registered at least 7 years ago.

Under the new scheme, a unit can apply for the relief in any year, after 50 per cent erosion of its net worth.

The tax consultants, however, feel that such comparisons are only superficial. If the BIFR procedures for approvals are simplified, and the RBI guidelines are followed by the commercial banks in true spirits, most of the cases of sickness can be tackled, much before the unit goes deeper into the red. "It is the same old logic of 'a stitch in time'," says one of them.

■ DILIP MAITRA

FESTIVE MARKETS

Riding the boom

It's festive time in the country, and the consumer is in a spending mood. It's peak season for everything from textiles to jewellery and automobiles to paints

Busy is an inadequate word to describe the routine these days of Kishore Thakkar, a leading Bombay-based dry fruits dealer. Out of home at 9 a.m., Thakkar runs a fast lane at his office well into the night, till 2 a.m. Vishanji Chheda, who manufactures a hot-selling range of plastic household items, also works at a similar pace these days. Like hundreds of other businessmen in Bombay and elsewhere in the country, Thakkar and Chedda stretch the day to cope with the current festive rush in the marketplace.

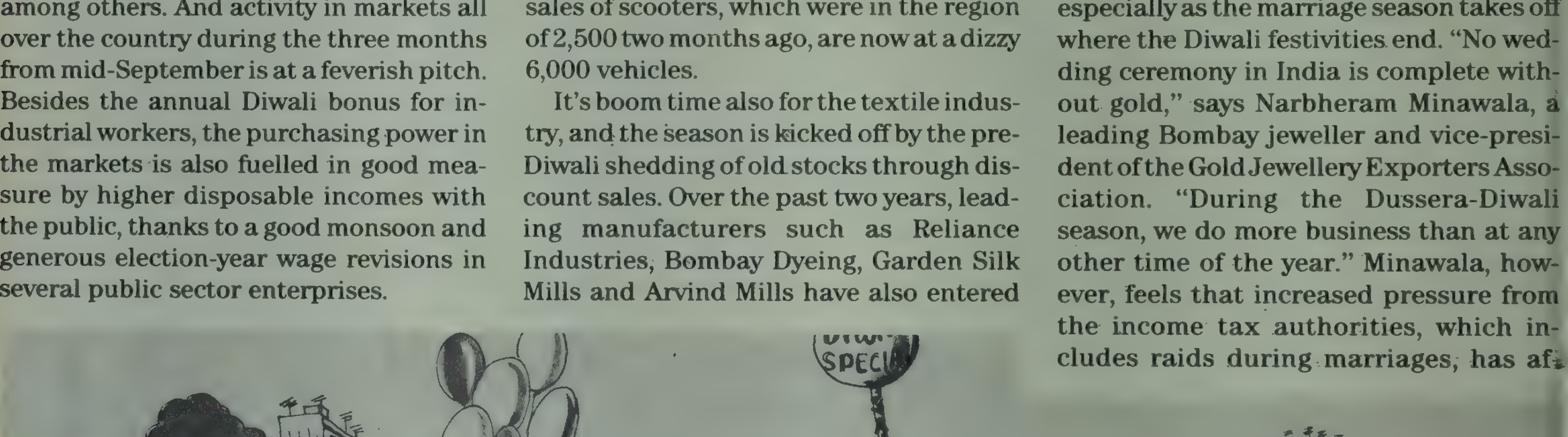
It's peak season now in virtually every market, be it consumer durables, textiles, jewellery, dry fruits, confectionery, furnishing fabrics, paints, leather goods, a whole host of gift articles, and even films, among others. And activity in markets all over the country during the three months from mid-September is at a feverish pitch. Besides the annual Diwali bonus for industrial workers, the purchasing power in the markets is also fuelled in good measure by higher disposable incomes with the public, thanks to a good monsoon and generous election-year wage revisions in several public sector enterprises.

The 'spending season' picks up with the gaiety of Ganesh Chaturthi in September and goes on through Durga Puja, Dussera, Diwali, and even beyond Christmas till the onset of summer. Automobile manufacturers are among the biggest beneficiaries this year, what with elections around the corner. "Sales have shot up," says N. Dwarkanath, joint managing director at Autoriders India Pvt Ltd, who are dealers for Premier Automobiles and Kinetic Honda. "Our average monthly sales are 100 to 120 cars and 80 to 90 scooters. But during the last two months, we have had average monthly sales of 250 cars and 220 scooters. And we hope to sustain this through November till February next year." Kinetic Honda's average monthly sales of scooters, which were in the region of 2,500 two months ago, are now at a dizzy 6,000 vehicles.

It's boom time also for the textile industry, and the season is kicked off by the pre-Diwali shedding of old stocks through discount sales. Over the past two years, leading manufacturers such as Reliance Industries, Bombay Dyeing, Garden Silk Mills and Arvind Mills have also entered the garments industry in a big way, while several international brand names such as Wranglers and Van Huesen have also begun crowding premium shelf space in the markets.

Says Shamjibhai of Amarsons, a prominent Bombay fabrics and garments retailer, "Our sales show a 15 to 20 per cent increase during this season, but during the four days before Diwali, they jump up by as much as 30 per cent." For Nalli, the Madras-based manufacturer of upmarket silk sarees, the boom is even more marked. "Between Navratri and Diwali, our sales register a 100 per cent increase," says Nalli Kuppuswamy Chettiar, managing director of the Nalli establishment. "Most people here buy their year's silk sarees during this season, and we have to place our orders at the Kancheepuram looms as early as July."

The rush is as heavy for jewellery as well, especially as the marriage season takes off where the Diwali festivities end. "No wedding ceremony in India is complete without gold," says Narbheram Minawala, a leading Bombay jeweller and vice-president of the Gold Jewellery Exporters Association. "During the Dussera-Diwali season, we do more business than at any other time of the year." Minawala, however, feels that increased pressure from the income tax authorities, which includes raids during marriages, has af-



ected demand adversely. The boom in the primary capital markets with the floata-ion of several mega issues over the past wo months, and the current lull in the real estate market, have also dampened inves-or enthusiasm in the bullion markets.

New look

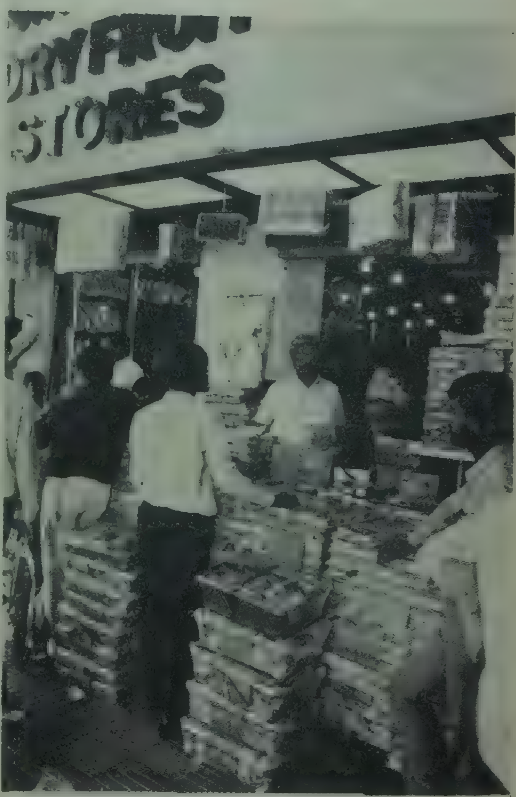
Whether the taxmen come or not, the religious sentiment associated with the heralding of the new year with Diwali has always held sway in the marketplace. And the new year is flagged off by not just new clothes for the family and buying of jewellery. Homes too have to look new, and this is what the country's Rs.1,200-crore paints industry looks forward to annually. About one-third of the demand for our paints is generated in the six weeks between mid-September and end-October," says Arvind Kumar, deputy sales manager at Asian Paints Ltd, the industry leader which commands a 45 per cent market share in the organised sector. Prepara-ions at the company's production facili-ies for the festive rush begins as early as June, and by July end, inventories are running at peak levels.

The paints industry also goes on an advertising binge around this time of the year, and logically, it should be the ideal time for launching new products. Kumar, however, says that the pressures of coping with the demand rush keeps his company too preoccupied to work out strategies for new products. "We try and launch our new products a month or two before Diwali," he says, "in preparation for the season."

No festival is quite complete without gifting, and the demand bonanza in these months swells the order books for novelties, gift articles, confectionery, sweetmeats, and dry fruits, among others. "About 30 per cent of our sales come in these three months," says Karunakar Menon, who looks after marketing at Asian Advertisers, one of the leading manufacturers of plastic stationery, gift articles and novelties, with an annual turnover of Rs.16 crore (including sales from two group companies in the same industry).

Vinita Bali, general manager (marketing) at Hindustan Cocoa Products Ltd, is also finding her hands full this season, with increasing demand for chocolate confectionery. Recently-introduced presentation packs such as Cadbury's Temptation and Classic Selection are offering tough competition to sweetmeat manufacturers. "During Diwali, we see a 10 to 12 per cent spurt in sales," says Bali. "Increasingly, people are looking towards chocolates for gifting, mainly because they are not as perishable or expensive as *mithais* are. In any case, the winter months are always good for chocolates."

The festive rush also brings in the peak demand season for manufacturers of leather goods and footwear. "During these months, our sales are 15 to 20 per cent higher than normal," says Malik Tejani, chairman of Metro Shoes Pvt Ltd, which has a countrywide chain of 11 retail outlets. "The season begins around Dussera and goes on through Diwali and the marriage season till February end." Preparations for the season begins a couple of months before Diwali, when manufacturers shed old stocks at discount sales.



Boom time for dry fruit gift packs

easonal spurt: fabric sales at a Bombay showroom

Along with the others, the publishing industry also has its best months around this time of the year, with advertisers crowding special colour supplements in newspapers and the Diwali issues of magazines. Leading Tamil magazines such as *Ananda Vikatan* (circulation 2.5 lakhs) and *Kumudam* (circulation 5 lakhs) register increases of as much as 25 per cent in sales during the festive season. "As a consequence of the boom in other markets," says P.R. Krishnamoorthy, executive director at the Times of India group of publications.

"From the monsoon till January, it is peak season for the publishing industry," says Rajiv Pahwa, director at Pioneer Book Co, which handles the distribution of a range of publications, besides magazine publishing. "But during the month of Diwali, the regular publications take a beating, with stiff competition coming from special Diwali issues of magazines. In fact, the market is crowded with about 400 different Diwali issues, of which about 300 are published only once a year during this time."

Films not seasonal

While the seasonality of demand is marked in textiles, paints, automobiles and jewellery, among others, it is evenning out in

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arkets for films and consumer durables. ilm industry observers say that today's arkets no longer afford producers the uxury of timing their films' releases with he festive season. "The film industry did ave seasonal markets at one time, when eleases were under the control of producers, but it is no longer so," says Rajiv ai, Hindi film director and a director of rimurthi Films Pvt Ltd, leading film distributors and producers. "Today, whenver a film is ready, most producers don't ave a choice but to release it as soon as ossible. They cannot afford to block their nonies, waiting for the festival season."

Typically, the summer months of school acations between April and June, and the ussera-Diwali months are considered to e the best periods for launching new lms, but the pattern established by successful films over the past two years makes onsense of theories of seasonality in the ndustry. "Experience has shown that if a lm is good, it will do well, irrespective of hen it is launched," says Taran Adarsh, xecutive editor of *Trade Guide*, the inustry's leading trade publication. Last ear's chart-busting films such as *Tridev*, *ezaab* and *Ram Lakhan* were all aunched in the so-called off-season nonths.

Rai, however, confirms that the festival eason does see a significant increase in icket sales, by as much as 20 per cent in rban centres, and 35 per cent in rural reas. "Therefore, if we can afford it, the estive season is the best to launch new lms," says Rai. "But more often than not, he festive market for films is good only in heory; it is not practical to wait for them." darsh, in fact, sees a distinct trend where ewer and fewer films are released around iwali. "Until a few years ago, one had bout 7 to 9 Hindi films being released uring Diwali," he says. "But this year, you ave only two films scheduled for a Diwali elease."

Another market where activity during the urrent festive season is not as energetic s one would have expected, is that for onsumer durables. "We used to have peak eason sales around this time of the year ome years ago," says a leading dealer of onsumer durables in Bombay. "But now it as all petered out. Consumer finance and ire purchase companies have entered the arket in a big way, and the customer no onger has to wait for his annual bonus to uy a fridge or a two-in-one." New product aunches in the market during the festive eason are also fewer in number this year. The last couple of months, however, have seen the launch of three brands of 14" colour TVs, three brands of video cassette recorders, and a few models of two-in-one music systems.

Manufacturers of consumer durables, meanwhile, are aggressively pushing their products with dealer schemes galore. Videocon, for example, has dealers flocking its warehouses, with a grandiose scheme that offers incentives ranging from a Bajaj scooter, to 30-day world tours, Contessa cars, bungalows and real estate plots. Not to be outdone, Mire Electronics, the makers of Onida TVs have a scheme running from September to November this year, wherein dealers have to accumulate "Satanic Points" with each sale to be eligible for the "Devil's Booty", which could mean cash incentives of anything between Rs.1,650 to Rs.2.4 lakh.

Household articles are popular gifts

Even as manufacturers in various industries are at their marketing best to grab a share of the consumer's budget for the season, they are realising that seasonal peaks and slumps in the marketplace will gradually reduce in importance over the years to come. "Given the fact that we are predominantly an agricultural country, it is inevitable that incomes will have a seasonal cycle, which gets translated into major festivals being timed with the harvest season," says Ramesh Thadani, general manager at the Indian Market Research Bureau, a leading Bombay-based market research agency. "But over a period of time, the seasonal dips and peaks have been reducing. This is probably because the country's economy is getting increasingly industrialised, resulting in more stable incomes throughout the year. This is reflected in the demand for various goods being distributed throughout the year."

Dampening factors

The declining importance of seasonality in various markets apart, the mood this time has been considerably dampened by other factors as well, especially the recent introduction of a uniform accounting year for

Window shopping: an eye-catching display

TRIBHOVANDAS BHIMJI ZAVERI

Gold jewellery: sales peak during the festive time

income tax purposes (ie from April to March). The hardest hit are manufacturers of accounts books. Customarily, the new year following Diwali sees peak sales of accounts books, but this year, leading manufacturers have cut down their production by as much as half, fearing poor demand.

The change in the accounting year has also adversely affected some manufacturers of fancy biscuit packs and plastic novelties. "This year, businessmen may not celebrate their new year with as much enthusiasm as before as a result of the change in the accounting year, and this is likely to adversely affect sales of gift articles," says Harish Nagda, managing director of Champion Foods Pvt Ltd, one of the leading manufacturers of fancy biscuit gift boxes. "Normally, sales go up 10 times during the Diwali season, but this year, we have had to curtail our production. There was a lot of confusion in the market... people weren't sure if gifting will be in full force."

Vishanji Chheda, a partner of Plastic Arts and Teeceekem India, which manufactures gift articles such as plastic teasets, trays and lemon sets, among other products, echoes Nagda's fears. Cheda's firm rakes in nearly 40 per cent of its annual sales during the festive season every year, but prospects of a subdued celebratory mood in the business community this year has prompted it to cut down production substantially.

The consumer products markets have also been unusually quiet this festive season. Earlier years have seen aggressive launches of new brands of soft drinks, premium soaps and detergents in the hot autumn months, but the lack-lustre performance of many new products in the recent past may well have inhibited manufacturers from expanding their product ranges. "It is very unusual, but there is no major thrust to be seen in the consumer products market this season," says Protap Roy, vice-president, marketing (consumer products) at Godrej soaps.

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Come Diwali and there's a sales explosion at cracker shops

"There is a commercial menopause in these markets today." Roy attributes this phenomenon to increased marketing costs that have made new product launches prohibitively expensive, and retailer fatigue. "With so many products failing one after the other, dealers are getting tired of stocking untried brands."

Whether there are new products or not, and despite the adverse effects of change in the accounting year, consumer demand is still at its best this festive season, according to the marketing manager of a leading consumer products manufacturing company. "Business is booming more than ever before," he says. As one trader put it, "Diwali is a festival that everyone celebrates, come what may. Even the poorest of the poor will spend a few rupees on crackers for his children."

■

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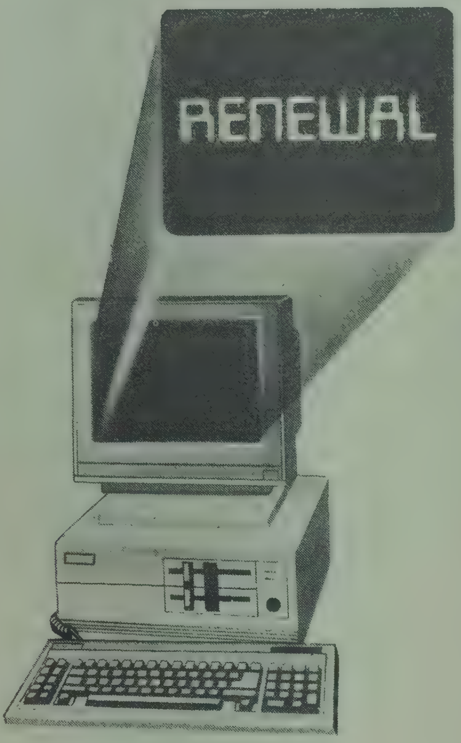

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INDIA MAGNUM FUND

Pleasant surprise

The third Indian offshore fund, the India Magnum Fund, jointly sponsored in the US by SBI Capital Market's Ltd (SBI Caps—a wholly owned subsidiary of the State Bank of India) and Morgan Stanley & Co, has pleasantly surprised everybody concerned. It has managed to garner approximately $ 157 million at its closing on 19 October against a target of $ 100 million, purely as private placement from large institutional investors.

The closed ended unlisted fund with a five year life span has been raised by an Antilles (Netherland) based joint stock company called India Magnum Fund NV, with a nominal equity capital. The board of directors consists of representatives of SBI Capital, Morgan Stanley and investors. The articles give all powers of investment to the board of directors. The chairman of the board is Barton Biggs, who heads Morgan Stanley Asset Management SA (a subsidiary of Morgan Stanley & Co), which is the designated manager of the fund, and one of the largest such players worldwide. SBI Caps is going to act as the local advisor.

The merchant banking and investment circle is suitably impressed. Says M.J. Pherwani, chairman, Unit Trust of India (UTI), "It's a remarkable achievement. They must be congratulated. And it also appears that the perception of India has changed considerably in markets abroad." Incidentally, both the UTI's offshore funds are now being quoted at a premium.

Complex chanelling

The way the Magnum Fund's money is going to be chanelled in India is quite tortuous. India Magnum Fund has issued units which have been privately placed with large institutional investors by Morgan Stanley. The money raised is going to be invested in a mutual fund in India whose trustee will be SBI Caps. The mutual fund's money will primarily be invested in Indian capital markets in equities.

The income and capital gain of a public sector mutual fund is tax free in India, though dividend paid to the company at Antilles will be taxed at source. Interestingly, Antilles Netherland is a tax haven. The fund has been structured not only

Parande: "choice clientele"

with tax planning in mind, but also to get around FERA. Says Madhav Dhar, vice-president, Morgan Stanley & Co, "About 80 per cent of the fund will eventually be invested in Indian capital markets within the next 12 months."

The choice of Morgan Stanley as a partner has been quite critical. Says S.M. Parande, executive director of SBI Caps, "They have a choice clientele of large institutional investors, which was the targetted niche. Further, Morgan Stanley Asset Management has developed one of the best investment techniques, which has been tried successfully worldwide. They also have a very powerful research wing."

How has India, with all its restrictions, managed to attract money from hard-nosed institutional fund managers worldwide. The answer is that these managers are now looking at the undervalued and emerging Asian capital markets with great deal of interest. Says a senior Indian analyst, "The Djakarta local index is around 500 today. This was 83 in the early eighties. The growth is much faster than the Dow Jones. Markets in Korea, Taiwan or Singapore will also have similar numbers. This is what fund managers are looking at." Most Asian funds, in fact, are now being quoted at healthy premiums (see table).

Offshore country fund listed in New York stock exchange

Fund name	NA value*	Stock price dated 16 Oct, 1989
India Growth Fund	13.92	16¼
Korea Fund	18.74	39⅛
Malaysia Fund	12.74	12
Taiwan Fund	42.78	39½
Thai Fund	17.22	22¼

** Net asset value per share*

Basic principle

Says Pherwani, "Many of the developed markets are saturated. It makes sense to go to emerging markets. Besides, a diversified portfolio is a basic investment principle." Also, the fact remains that each of the institutional funds have billion dollar portfolios. They certainly can take a country risk with few hundred million dollars.

But the perception of India has also changed for the better in recent times. Now, apparently, the only negative factor about India in the minds of institutional fund managers is the currency depreciation. They are willing to accept political uncertainty as a part of acceptable risk.

Says, Madhav Dhar, "We are very bullish about India. We are really pleased that we not only could raise a large amount, but also the fact that the money came from the right sources. This augurs well for the future."

Asked why it has been structured as a privately placed unlisted fund, Parande says, "We aimed for the institutions, which are long term investors." In fact, the issue was not meant for NRIs, who apparently aim for short term gains. Also, when the fund was conceived, UTI's India Growth Fund was being quoted in New York Stock Exchange at a discount. (Now, however, it is at a premium). Further, the underwriter's commission of 7 per cent, which is quite high, was avoided by private placement. The next step, possibly, will be to list the Magnum in the US Stock Exchange.

Also, last week, in a quiet but deft move, UTI quickly made a successful rights issue for its India Fund, listed on the London Stock Exchange. Taking advantage of its strong market performance, where the India Fund has been quoting well above its net asset value (the market price touched £2.50), a rights issue was made at £2.14. This is substantially above the original issue price of £1.05. Given the depreciation of the rupee against sterling in the last couple of years the performance is even more creditable. The issue was quickly subscribed fully, raising £40 million.

With such success the financial institutions are bound to go back again to tap the world financial markets.

■ DIPANKAR MITRA

SPEECH DELIVERED BY SHRI SUSHIL ANSAL, CHAIRMAN AT THE FIFTH ANNUAL GENERAL MEETING OF THE COMPANY ON 26TH SEPTEMBER 1989.

Ladies & Gentlemen,

It is my great privilege and pleasure to welcome you all to this 5th Annual General Meeting of your Company.

As some of you may be aware, Shri Amrit Lal Bajaj — a founder Director of the Company passed away on 19th August 1988. His pre-mature demise has caused a sudden void on the Board. Late Shri Amrit Lal Bajaj was a prominent personality of Stock Market, beside possessing vast experience of Corporate Operations in various industries. His business acumen, commercial soundness, extraordinary foresight & vision as well as resourcefulness in the finance arena were great assets on which your Company could always count upon. I wish to place on record, on behalf of the Board, our gratitude for the valuable guidance and sound advice provided by him during his tenure as a Director of the Company.

The audited Accounts as well as Directors' Report for the financial year ended 31st March 1989, have been in your hand for sometime now and I wish to take these as read with your permission.

GOOD PERFORMANCE :

You would have noticed from the Audited Accounts as well as Directors' Report that there has been commendable improvement in the Turnover, Profitability and Return on Equity as well as in the growth in business activities in terms of number and value of construction projects. The Turnover has increased by 52% from Rs. 831.86 lacs to Rs. 1264.42 lacs. Similarly the Gross Profit registered a growth of 30% during the year and increased to Rs. 225.99 lacs as compared to Rs. 173.47 lacs for the previous year. Pre-tax Net-profit has increased from Rs. 124.03 lacs in the previous year to Rs. 143.30 lacs, recording improvement of 16%.

Gross earnings per share have risen from Rs. 6.94 in the preceeding year to Rs. 9.04 in the current year representing 90% return on Equity and registering 30% increase over the previous year. In terms of Pre-tax Net-profit per share, as compared to Rs. 4.96 per share for 87-88, the Company has earned Rs. 5.37 per share in the current year. This is the third consecutive successful financial year of operations of the Company and after taking into account current year's dividend of 22% shareholders have already been rewarded with 60% of their initial investment into the Equity shares of the Company beside appreciation in share value.

Leasing activity of the Company has also shown improvement during the year. The leased assets aggregated to Rs. 320 lacs as compared to Rs. 250 lacs at the end of the previous year recording 28% increase. Lease rentals during the year under review have risen to Rs. 95.52 lacs compared to Rs. 60.66 lacs for the previous year showing 57.47% improvement therein.

The development and construction work on all project sites have been progressing satisfactorily, keeping in view the importance of timely completion and its bearing on the business growth of the Company.

DIVIDEND :

In line with Board's policy and belief to share the prosperity of the Company with the shareholders and also after taking into account good performance during the year, you will be happy to note that the Board of Directors have recommended for your approval, a Dividend of 22% for the current year as compared to 20% for the previous year. By declaring this dividend and stepping it up by 2% for the third year in succession, the Board has more than met its commitment made to the investors at the time of Public Issue wayback in December 1985. This higher rate of Dividend would absorb Rs. 54.92 lacs. Inspite of the hike in Dividend rate to 22% the Company's Reserves and Surplus have increased by 57.55% to Rs. 136.33 lacs, which indeed is good performance by the Company in a short span of initial three year period.

ECONOMIC SCENARIO:

Shri Rajiv Gandhi and his colleagues in the Government deserve full compliments for achievement of the targetted overall growth rate and industrial production in the first four years of the current 7th Five Year Plan and envisaging higher targets of growth in various sectors of the economy during the 8th Five Year Plan. The approach paper to the 8th Five Year Plan has rightly laid emphasis on adequate work opportunities, food, clothing, shelter, education and health care for the masses — each one of these being equally important for proper living and not a mere survival on the part of an average Indian.

Housing is a problem whose dimensions stretch much beyond the economic compulsions and social welfarism and it should not be clubbed with other core sector problems and needs to be viewed as a basic human need. It deserves a degree of priority much higher than the one Government has so far given. Housing mitigates sense of insecurity and becomes a source of confidence and courage beside elimination of social conflicts and prejudices. The crash programmes of various Development

ansal HOUSING FINANCE & LEASING CO. LTD.
15 U.G. Floor, Indra Prakash, 21, Barakhamba Road, New Delhi-110 001.

Authorities, Housing Boards and various Corporations have not been able to ouch even the fringe of the Housing Problem at national level. The overall contribution of such agencies to solve he housing problem has been negligible, considering the colossal magnitude and complexities involved in tackling this ask. Whilst these Government Agencies/Bodies have been evolved to cater to the housing needs of the socially backward classes and economically weaker sections, the development and promotional potential of the private sector in supplementing Governmental efforts to mitigate housing shortage for he aforesaid class as well as middle and high income groups has yet to find a place of recognition and assigned a proper role in the gigantic task of house building in the country. Private Corporate Sector's potentialities should also be tapped effectively for providing Industrial & modern Commercial office built-up spaces.

Building and construction (inclusive of housing) activities, have not yet been recognised as an industry by the Government with the result that the huge resources —financial and otherwise — required by the industry specially by way of funding facilities at comparatively ower rates of interest to be extended by banks and term lending institutions have become a serious handicap in comparison to availability of such facilities to the industrial sector. As a result of resource constraint, the Developers and Builders are compelled to place heavy reliance on mobilisation of short term funds at abnormal high costs and this in turn has a bearing on high cost of construction of dwelling units and at times delays in construction time schedules & adversely affects supply of built up houses, industrial complexes and commercial premises.

Owing to availability of limited financial resources, building and construction activity has been under compulsion to continue to operate with old traditional machinery and methods instead of introducing and upgrading the technology as well as designing capabilities in line with some of the advanced countries, so as to cut-short substantially the completion schedules, time & cost over runs and simultaneously also improve the quality to the benefit of the end-users & the Society.

If the "Green Revolution" as well as "Industrial Revolution" are to be followed by "Housing Revolution" to resolve the gigantic housing problem faced by the country, the Governments both at Centre and State levels must recognise and assign proper role for the private corporate sector participation on top-priority and remove impediments arising out of 'Urban Land Ceiling and Regulation Act', 'Rent Control Acts' so as to make them growth oriented and at the same time give certain tax benefits at par with other industries.

FUTURE PROSPECTS & OUTLOOK :

It may be gratifying to note that your Company has on date residential, commercial and farmland projects — both under execution and in-hand to the tune of Rs. 250 Crores as against Rs. 150 Crores reported last year. The Company, as a part of "ANSAL GROUP", has in a short span of three years of operation built up fine reputation and confidence with its customers, investors and other business associates and this advantage would enable it to achieve satisfactory growth rate in the coming years.

There is tremendous business potential in the sphere of Real Estate Promotion, Development and Construction activities and your Company has built up adequate reputation to capture new prestigious projects in various states and is well established in its field. The working results during first half of the current financial year 89-90 are also very satisfactory and encouraging and barring unforeseen circumstances, the "Sales and Other Income" for this financial year are expected to record further growth so as to touch a level of approximately Rs. 20 Crores with pre-tax profit of Rs. 300 lacs.

ACKNOWLEDGEMENTS :

Finally before I close, I would like to thank all the members, depositors and suppliers/contractors for the trust and confidence reposed and to the customers for their valued patronage.

Thanks are also due to the Central & State Governments (including their respective departments and Development Authorities) connected with business of the Company, banks and housing finance institutions for their co-operation and continued support.

I wish to take this opportunity to place on record my sincere thanks to all my colleagues on the Board who have been a source of strength & guidance in the working and performance of the Company.

Last but not the least, efforts made by officers and employees at various levels in achiveing the results, also deserve sincere appreciation from all of us.

SUSHIL ANSAL
CHAIRMAN

Place: New Delhi
Dated: 26th September 1989

Note : This does not purport to be a record of the proceedings of the Annual General Meeting.

SPIC

Marketing operations surge; interest burden heavy; higher production improves bottom line; huge diversification plans; battle for management with Tamil Nadu government

This southern giant which has been in the news recently, has turned out good results for the 15-month period ended March 1989. However, the company's production was sustained, and the shortfall in indigenous availability of diammonium phosphate, DAP was augmented by imports, for which the company has retained the agency. This was necessary because the international market price of phosphoric acid rose alarmingly to the extent that imports became unviable and had to be stopped. But, since then the situation has improved and supplies have been resumed. This will improve the profitability of the new expanded capacity, which, at its best produced 1,104 tonnes a day against a total capacity of 850 tonnes per day. Thus, capacity utilisation and profitability are expected to move up further.

The company has also decided to expand its shipping line, to meet its rising import requirements for various new projects. A gas carrier at a cost of around Rs.75 crore is being acquired.

Besides, its ammonium flouride plant has also stabilised during the year. The newly acquired chemical division has made no cash losses during the same period. It is notable here that the depreciation provision has increased from Rs.5,6 crore to Rs.26.91 crore, while Rs.65 crore has been added to plant and machinery. Even the interest burden has upped to Rs.59 crore. Yet, the bottom line improved, largely due to a tight control over operational costs.

SPIC *(Rs crore)*

Year ending	31 Mar 89*	31 Dec 87	% change**
Sales	555.46	370.00	20
Other income	24.06	20.77	− 7
Raw materials cost	97.17	69.10	12
POF	60.67	46.33	5
Other expenses	130.55	78.88	32
Interest	59.50	25.18	89
Gross profit	44.02	19.80	78
Depreciation	26.91	13.78	56
Tax	3.25	0.95	173
Net profit	13.86	5.07	118
Cash profit	40.77	18.85	73
Equity capital	34.00	34.00	
Reserves and surplus	74.15	67.09	
Dividend (%)	20.00	15.00	
Market price (Rs.)			
Current	49.00		
1989: High	71.00		
Low	38.00		

*15 months ** annualised basis*

Thus the company finds the circumstances favourable for forging into new ventures, as all its recent diversification projects have started yielding results — Tamil Nadu petro products has declared a 10 per cent interim dividend. SPIC electronics has also started commercial production. Manali petrochemicals is all set to go public.

The company is thus encouraged, to partner the huge Rs.840 crore national aromatics project, for which expansion is already being considered. An R&D centre for new introductions in this field will be commissioned.

Given the projects on hand and the increasing fertiliser capacity in the country and the resultant competition, the company has dropped its plan for expanding its capacity and intends to concentrate on these new areas. Ultimately, all depends on who will win the management tussle for this joint sector giant.

Dunlop

97-day strike paralyses one plant; exports improving; major entry into aerotyres/retreading being worked out; backward integration plans on

The 97-day strike at the Sahaganj plant, crippled the company's profitability. This was accompanied by rising raw material prices, whereby rubber, nylon tyre cord and carbon black experienced double digit hikes in prices. Besides, intense competition within the industry did not allow a corresponding increase in tyre prices.

This, affected the margins, which fell to 10.59 per cent of sales from 13.52 per cent last year. Thus raw materials, which constituted 58.32 per cent of sales, accounted for 60.66 per cent. The interest burden too, was higher, tax provisions substantially higher, affecting the bottom line seriously.

In order to maintain dividend at almost the same level, the company had to pay out 57 per cent of its profits i.e. almost double that of last year. Besides investments worth Rs.2.26 crore in units were sold off as the company's working capital requirement shot up by Rs.25 crore to Rs.85 crore. This was the result of a very heavy inventory build up and debtors rising to the tune of Rs.49.05 crore (Rs.32.6 crore), low cash balance of Rs.12.3 crore (Rs.33 crore); thus effectively raising the liquid ratio to 2.45:1.

Dunlop *(Rs crore)*

Year ending	31 Mar 89	31 Mar 88	% change
Sales	309.47	329.75	− 6
Other income	10.33	6.27	65
Raw materials cost	187.72	192.30	− 2
POF	15.15	15.85	− 4
Other expenses	73.84	77.03	− 4
Interest	11.03	10.65	3
Gross profit	32.06	40.19	− 20
Depreciation	13.25	13.43	− 1
Tax	8.82	6.55	34
Net profit	9.99	20.21	− 50
Cash profit	23.24	33.64	− 31
Equity capital	18.99	18.99	
Reserves and surplus	64.84	60.53	
Dividend (%)	30.00	30.50	
Market price (Rs.)			
Current	76.00		
1989: High	100.00		
Low	70.00		

The industry can now expect the competition to get tougher, with delicensing procedures bringing a host of new aspirants like Kesoram, Larsen & Toubro and expanding capacities among the existing companies.

In these circumstances, the company's Rs.400 crore downward integration plan for the manufacture of carbon black and nylon tyre cord and a new plant to make 1,000 tyres per day and the modernisation of existing facilities should go a long way in pulling the company out of its present tight position. With the Sahaganj plant restarting operation and the decision to work seven days a week will increase the turnover. This reorganisation has improved the confidence and the company has a turnover of Rs.575 crore this year.

Birla Yamaha

Going into the red; rising value of yen affects performance; three more models introduced; moving swiftly towards indigenisation

It was rough riding for the company during the extended 18-month period. This was

Birla Yamaha Ltd			(Rs cr)
Period ending	**28 Feb 89***	**31 Aug 87**	**% change****
Sales	29.68	18.92	– 6
Other income	0.62	0.07	
Raw materials cost	15.56	16.33	– 36
Employees' cost	2.27	0.44	244
Other expenses	7.72	3.69	39
Interest	5.75	1.82	110
Depreciation	1.83	1.09	12
Gross loss	—	0.03	
Tax	2.00	1.26	—
Net loss	3.83	0.17	
Equity capital	7.99	7.99	
Reserves & surplus	0.25	0.42	
Market price (Rs)			
Current:	9.50		
1989: High	15.00		
Low	7.00		

** 18 months   ** annualised basis*

nainly because of the depreciating rupee.

Though the company sold 29,469 (20,131) portable generators in this period, valued at Rs.33.82 crore (Rs.21.52 rore), profits have taken a drubbing. The ompany closed the year with a cash loss of s.2 crore (18 months) against a cash rofit of Rs.1.26 crore (15 months).

The rising value of the yen has been the hief reason for the poor performance, as ts cost rose to Rs.5.75 crore (Rs.1.62 rore). The results appear bad because wo lean seasons were included. Besides, ompetition was hotting up.

To overcome this situation, the company has introduced three new models hus increasing the range, and is also expanding its market reach. By exporting enerators worth Rs.30 lakh in this period, he company has made a good beginning n the export market.

Prototypes of multi-purpose engines ave been developed. These are being ested for various applications. The company spares no effort to make its product ompetitive and profitable. Although significant progress has been achieved, eforts are on to reach 100 per cent ndigenisation from this year's level of 35 er cent (26 per cent).

Otis

Profits soar; order book healthier; capacity expansion underway

he spurt in construction activity has improved the company's working further. Turnover has grown by 20 per cent (annualised) to Rs.83.34 crore, and the bottom line has improved by 45.6 per cent (annualised) to Rs.7.42 crore. This is the result of higher sales realisation and better cost controls, both these being the outcome of higher productivity. A greater demand for products like escalators and trav-o-lators entailed better capacity utilisation. Besides, its elevators are already market leaders. This good position allowed the company to absorb the high metal prices, at Rs.10,580 per tonne (Rs.10,150 per tonne) and castings at Rs.9,256 per tonne (Rs.8,250 per tonne).

This was further aided by a higher price realisation for its elevators — over Rs.3.12 lakh against Rs.2.78 lakh and, for escalators and trav-o-lators, Rs.11.82 lakh and Rs.10.14 lakh.

Keeping pace with the growing demand, the company plans to double its capacity to 2,800 lifts a year. There is a proposal to raise the required money through a rights issue of 316,800 equity shares to employees and directors at a premium of Rs.90 per share. The collaborators will renounce their rights, thereby reducing their proportion to 52.53 per cent. The company's new plant in Karnataka, to commence production in 1992, will make 500 elevators during the third year.

Otis			(Rs cr)
Period ending	**31 Mar 89***	**30 Nov 87**	**% change****
Sales	73.88	51.14	8
Other income	1.49	0.77	45
Raw materials	31.77	21.00	13
Power, oil, fuel	24.81	13.32	40
Other expenses	12.60	9.03	5
Interest	0.38	0.05	470
Depreciation	1.29	1.81	– 46
Tax	5.38	3.60	12
Net profit	7.42	3.82	46
Equity capital	5.04	5.04	
Reserves & surplus	15.08	9.63	
Dividend (%)	40.00	25.00	
Market price (Rs)			
Current:	190.00		
1989: High	210.00		
Low	170.00		

** 16 months   ** annualised basis*

Otis also plans to introduce the new generation products such as geared machines, medium range door-operator systems, electronic doorway obstruction detectors and an automatic rescue device in the event of power failure.

Samtel India

Margins erode; profitability drops; industry going through bad patch

Intense competition arising from over capacity in the industry has had an impact on the company's performance. Though the sales have shot up by 40 per cent (annualised) to Rs.74.58 crore, the gross profit has climbed up by just 12.6 per cent, to Rs.6.21 crore.

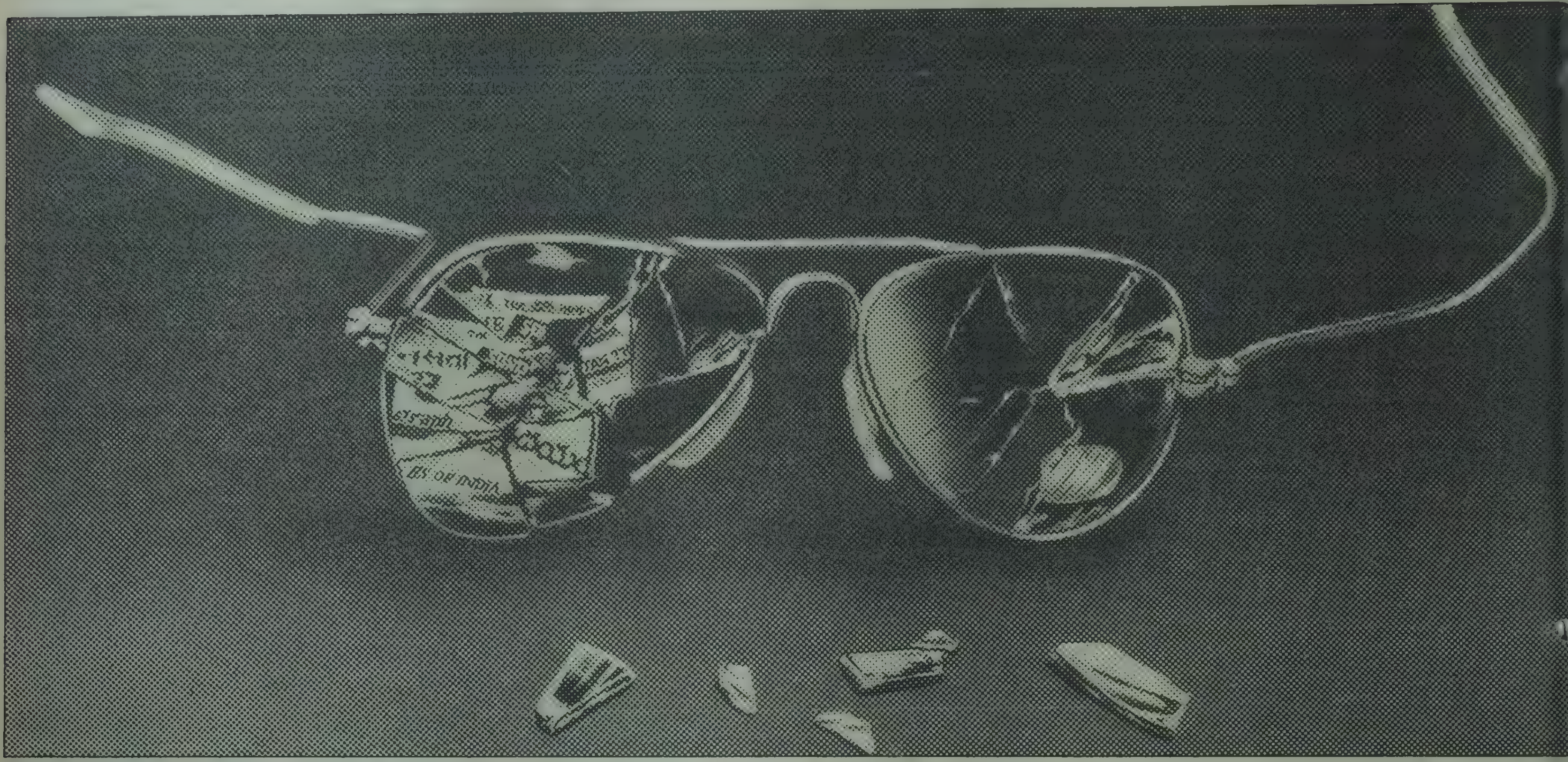
This is because, the higher and new capacities which became operational during the year realised their worth in the market and this led to price cutting. Besides, the depreciating rupee made imported raw materials costlier. Glass components cost Rs.152 per unit against Rs.111 earlier. Things would have been worse but for indigenisation whereby, glass now constitutes only 33 per cent of the total raw materials cost against 59.6 per cent last year.

Samtel India Ltd			(Rs cr)
Period ending	**31 Mar 89***	**31 Dec 87**	**% change****
Sales	74.58	42.70	40
Other income	1.81	0.14	
Raw materials cost	57.11	29.95	52
Power, oil, fuel	1.85	1.04	42
Other expenses	8.74	4.86	44
Interest	2.36	1.85	2
Gross profit	6.21	4.41	12
Depreciation	1.47	1.12	5
Tax	0.71	2.64	– 78
Net profit	4.03	2.64	22
Equity capital	3.57	2.74	
Reserves & surplus	10.03	7.92	
Dividend (%)	25.00	25.00	
Market price (Rs)			
Current:	63.75		
1989: High	120.00		
Low	57.00		

** 15 months   ** annualised basis*

The company has increased its capacity to 3 million tubes a year and anticipating a good market, the company has launched its monitor tubes in the market. This is one segment which offers growth potential, whereas the B&W T V tubes market expects keener competition as some new companies are to enter the market in the current year. Consequently, margins are likely to remain under pressure and the growth rates witnessed earlier may not occur this year. Realising this, the company has already ventured into exports. During

WHEN YOU ARE TAXED FOR BEING LITERATE-



LITERACY MUST BE HARMFUL TO THE NATION.

It is "an imposition on knowledge and would virtually amount to a burden imposed on a man for being literate and for being conscious of his duty as a citizen to inform himself about the world around."

That is what the Supreme Court said in 1984 as it reduced a Rs. 850 per tonne duty levied on the import of newsprint by the Government to Rs. 550 per tonne.

Now the Government newsprint mills have hiked newsprint prices by as much as 40 per cent, and the duty on glazed newsprint has been increased by 7-fold.

While some welcome concessions have been granted to small and medium newspapers, the rest who account for more than 80% of newsprint consumption still bear the crippling burden.

The implications spell themselves out : increased cost, increased prices of publications, increased advertising tariffs, mounting financial pressure on the newspaper industry. A pressure that retards growth, curtailing coverage and reach. Doubtless, the burden for being literate is becoming heavier.

Every citizen has the right to 'free' knowledge, information, stimulation and entertainment. The press is their only independent and affordable source. It is the heart of a democracy, the life-blood of political and social intercourse. In a country like India, with its multifarious cultures, religions and languages, it is the press which reflects the diversity. It is the symbol of freedom, the voice of the people, the safety valve for bottled-up emotions. As long as it is neither state-controlled, nor muzzled.

Now the Government has put it under severe financial strain, even as it has unleashed resources to expand the official media.

All this will extract a heavy cost. And it is not the newspaper industry that will suffer the final cut. It is the democratic spirit of the country that will fray; the tenets of our founding fathers that will flounder. That price will be paid by the people.

THE NATION'S LOSS CANNOT BE THE GOVERNMENT'S GAIN.

Issued in the interest of the Nation by the Indian Newspaper Society

MILESTONES/INS/3

the year it has exported goods worth Rs.3.36 crore and has plans to improve upon this.

It must be mentioned that while margins in the first half were over 14 per cent of turnover, in the second half they dipped to 9.4 per cent. This down trend has continued during the current year, and nothing much can be expected of this trend in the current year.

Lakme

Sales increase; margins improve; 1:2 bonus combined by a 2.5 points (annualised) higher dividend

The company has maintained a steady growth during the year. Though sales increased by only 9 per cent, the gross profit is 25 per cent higher, largely because of the cost control achieved. Raw materials cost remained at the same levels, it now constitutes only 27.36 per cent of net sales against (29.81 per cent) last year. Dependence on imported materials has come down significantly during the year from 69 to 50 per cent. But, the dependence on imported packaging materials continues. However, this is understandable, given the importance attached to packaging for such products.

During the year, it has stopped manufacturing medical equipment, concentrating on its original line of business, thus benefiting from better productivity. In this area, concerted efforts are being made to increase exports through its own well developed research and development centre. Its pharmaceutical division, comprising bulk drugs and formulations has not done well, but trends are encouraging during the current period as demand has revived, allowing better utilisation of capacities.

Lakme Limited *(Rs cr)*

Period ending	31 Mar 89*	31 June 88	% change**
Sales	28.22	34.61	9
Other income	1.82	1.01	
Raw materials cost	7.72	10.32	
Power, oil, fuel	3.55	4.01	18
Other expenses	16.53	17.10	29
Interest	1.13	1.34	12
Gross profit	1.82	1.94	25
Depreciation	0.58	0.79	− 2
Tax	0.15	0.03	
Net profit	1.09	1.12	29
Equity capital	2.10	2.10	
Reserves & surplus	7.48	6.87	
Dividend (%)	22.50	27.50	
Market price (Rs)			
Current:	110.00		
1989: High	122.00		
Low	85.00		

** 9 months* *** annualised basis*

Polychem

Margins under pressure; tax liability substantially higher; dividend maintained with announcement of a another liberal bonus; enters the field of electronics components

A sharp escalation in raw materials cost and a higher excise duty put the margins of Polychem under pressure for the year ended 31 March 1989. Thus, despite net sales, higher by 40 per cent, net profit could record a growth of 11 per cent only. Tax liability shot up by 233 per cent due to a lower investment allowance claim of Rs.67 lakh (previous year: Rs.3.73 crore). The company has maintained the dividend at 25 per cent and another liberal bonus in the ratio of 2:3 was announced.

The company is engaged in the manufacture of polystyrene; vinyl acetate monomer (VAM); styrene monomer; potable liquor and other chemicals. Polystyrene, which accounts for 39 per cent of total sales, was in good demand during the year, with sales volume up by 25 per cent and sales realisation higher by 15 per cent, total sales value increased by 45 per cent to Rs.43.84 crore (Rs.30.28 crore). The capacity utilisation of the polystyrene plant improved to 72 per cent (57 per cent), sales volume of VAM and styrene monomer was also higher by 30 per cent and 56 per cent respectively.

The cost per tonne of ethylene benzene (which accounts for 35 per cent of total raw materials cost) at Rs.22,240 (Rs.16,173) was higher by 38 per cent. As a result, raw materials cost as percentage to net sales was up by five points to 54.5 per cent (49.4 per cent). Excise as a percentage to net sales was also higher at 18.5 per cent (17.7 per cent). The escalation in raw materials was also due to the declining rupee value as the company imported nearly 50 per cent (38 per cent) of its total raw materials.

Operating margins which were affected by rising costs, declined to 11.7 per cent (13 per cent). But reduced interest costs kept gross margins unchanged at 9.3 per cent. However, the margins declined to 4.7 per cent (5.9 per cent) due to higher depreciation and tax liability. Tax ratio went up to 36 per cent (16 per cent). Despite higher borrowings and acceptances the company was able to reduce its interest costs by 7 per cent.

Polychem *(Rs cr)*

Period ending	31 Mar 89	31 Mar 88	% change
Net sales	94.88	67.66	40
Other income	1.13	0.96	18
Excise duty	17.52	11.98	46
Raw materials consumed	51.73	33.40	55
Employees' cost	5.16	4.07	27
Other expenses	21.11	17.35	22
Interest	2.78	2.98	− 7
Depreciation	2.32	1.84	26
Tax	2.95	0.89	231
Net profit	5.28	4.77	11
Equity capital	3.60	3.60	
Reserves & surplus	13.52	9.92	
Borrowings	26.15	21.11	
Gross block	40.14	34.19	
Net current assets	21.62	16.74	
Dividend (%)	25.00	25.00	
Market price (Rs)			
Current:	101.00		
1989: High	121.00		
Low	74.00		

The expansion of the ABS plant at Baroda and the 2000 tpa of polyvinyl alcohol project are expected to begin operations in 1990. Polychem is setting up a new company to manufacture electronic components with foreign collaboration. An application to set up an integrated plant to manufacture 80,000 tpa of styrene monomer and 40,000 tpa of polystyrene is yet to be flagged off. The prospects for the company is reasonably good despite escalation in raw materials costs.

TRENDS

SAE (India)

The sales during the first half have grown by 15 per cent to Rs.48.06 crore over the corresponding period. But the rising prices of steel have resulted in raw materials costs jumping by 32 per cent to Rs.26.12 crore. Although the company controlled costs and the interest burden was lower, yet, margins fell. As the provisions were higher, wherein tax provisions

SAE			*(Rs cr)*
Period ending	**Jan-June 89**	**Jan-June 88**	**Jan-Dec 88**
Sales	48.06	41.57	77.86
Other income	0.26	0.08	0.69
Total income	48.32	41.65	78.55
Raw materials cost	26.12	19.70	37.43
Salary & wages	3.61	3.40	6.83
Other expenses	13.58	13.49	23.97
Operating profit	5.01	5.06	10.32
Interest	1.77	2.14	4.74
Gross profit	3.24	2.92	5.58
Depreciation	0.84	0.81	1.49
Tax	0.87	0.40	0.90
Net profit	1.90	1.71	3.42
OP/sales (%)	10.42	12.17	13.25
RM/sales (%)	54.35	47.39	48.07

more than doubled to Rs.87 lakh (Rs.40 lakh), the bottom line was 10 per cent lower at Rs.1.53 crore, but after adding writebacks, it was higher at Rs.1.90 crore (Rs.1.71 crore).

The company's equity has risen to Rs.2.47 crore (Rs.1.80 crore), while reserves stand at Rs.16.80 crore (Rs.10.51 crore) since the conversion.

There is a proposal to set up a Transmission Corporation of India, exclusively to set up new power transmission lines and maintain them. This project will serve as a booster to SAE, which is entirely dependent on this product.

Sparr Equipments

In the first half period since going public, the company has recorded an excellent performance. Inspite of a decline of 34 per cent in income earned, the company has improved its margins from 13.58 per cent to 21.62 per cent, resulting in an operating profit of Rs.96 lakh (Rs.91 lakh). This has largely been possible owing to an improved product mix and increased productivity. This explains the 48 per cent decline in raw materials consumption, which has been instrumental in improving profitability.

Sparr Equipments			*(Rs cr)*
Period ending	**Jan-June 89**	**Jan-June 88**	**Jan-Dec 88**
Total income	4.44	6.70	9.09
Raw materials cost	2.54	4.93	6.03
Salary & wages	0.26	0.22	0.31
Other expenses	0.68	0.64	1.62
Operating profit	0.96	0.91	1.13
Interest	0.10	0.12	0.20
Gross profit	0.86	0.79	0.93
Depreciation	0.03	0.04	0.06
Tax	—	0.18	0.24
Net profit	0.83	0.57	0.63
OP/T. income	21.62	13.58	12.43
RM/T. income	57.21	73.58	66.34

The performance is creditworthy as the company's products face direct competition from MNCs like Ingersoll-Rand and C.P. Tools.

Roche Products

The company has earned its highest net profit in the last five half-periods. This encouraging position was due to the reclamping of price controls on Vitamin A, which made a sizeable contribution to the company's turnover. This improved performance is attributed to heavy cost cutting and increasing productivity.

Roche Products			*(Rs cr)*
Period ending	**Jan-June 89**	**Jan-June 88**	**Jan-Dec 88**
Sales	23.41	21.25	43.11
Other income	0.40	0.34	0.58
Total income	23.81	21.59	43.69
Raw materials cost	14.05	13.13	24.68
Salary & wages	4.96	4.21	8.46
Other expenses	3.36	3.40	7.25
Operating profit	2.47	2.51	4.48
Interest	0.48	0.70	1.11
Gross profit	1.99	1.81	3.37
Depreciation	0.43	0.63	0.87
Tax	1.01	0.50	0.93
Net profit	0.55	0.68	1.57
OP/sales (%)	10.37	11.63	10.25
RM/sales (%)	60.02	61.79	57.25

Even while sales grew by 10 per cent to Rs.23.41 crore, raw materials cost rose by 7 per cent only, whereas other operating expenses were kept at levels corresponding to the earlier period. Besides, the interest burden too has been brought down substantially.

Although the net profit is Rs.55 lakh, this includes an abnormal expenditure of Rs.38 lakh relating to the previous year. Without this the net profit would climb to Rs.93 lakh against Rs.68 lakh during the corresponding period.

The company will support Hoffman-La Roche in its effort to import software packages from India. It also plans to make substantial investments in replacing the present antiquated underground storage tanks, ensuring better safety measures for both plant and personnel.

RESULTS ANNOUNCED

Gujarat Ambuja Cements

With a mere 4 per cent rise in sales at Rs.94.20 crore, Gujarat Ambuja Cements has increased dividend by a point to 12 per cent for the year end 30 June 1989. This is despite the fact that 1988-89 was a difficult phase for the cement industry.

During the year, margins in the industry were affected by the steep rise in input costs and a glut situation. Nevertheless, the company has achieved 115 per cent capacity utilisation at 8.02 lakh tonnes. Gross profit was also marginally better at Rs.11.70 crore (Rs.11.30 crore). This kept the gross margins static at 12.4 per cent, the highest in the industry for that year. With liberalisation and decontrol in the price and distribution policies with effect from 1 March 1989, the future for the company looks bright.

IN BRIEF

J.B. Chemicals & Pharmaceuticals has recommended a final dividend of 12 per cent which together with the earlier interim works out to a 3 point higher dividend at 23 per cent for the year ended 30 June 1989. The company's sales was higher by a mere 9 per cent at Rs.34.67 crore, but the gross profit has zoomed by 28 per cent at Rs.4.35 crore.

Adarsh Chemicals & Fertilisers is setting up a plant to manufacture 7,200 tpa of maleic anhydride at Udhna, Surat. To part finance this Rs.16.91 crore project, the company will make a rights/equity shares issue in the ratio of 1:1 scheduled for 15 November 1989.

Apple Leasing & Industries Ltd will be known as Apple Industries Ltd with effect from 30 August 1989.

Ruchi Soya is co-promoting a new company Ruchi Metals Ltd to manufacture cold rolled steel, strips and coils. The company will enter the capital market to recover the total cost of the project which is Rs.40 crore.

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Agro Tech India

This is a joint venture company in which Punjab Agro Industries Corporation (PAIC) will be investing to the extent of 26 per cent in the company's equity.

"The process incorporated in the company's project is such that each and every byproduct will be utilised directly for captive consumption for the manufacture of end products", says Kewal S. Dhillon, managing director, Agro Tech India.

The process consists of pre-cleaned and dried paddy which will be shelled in rubber rolled shellers to produce rice, bran and husk. The husk would be then burnt to generate power for captive consumption while the rice bran will be used for extracting rice bran oil. The de-oiled cake extracted in the production of rice bran oil will be used to manufacture cattle feed. The rice bran oil along with other oils will be used to manufacture vanaspati. The project comprises a 40 tonne per hour modern rice mill for shelling paddy which in turn will produce 30,000 mt of cattle feed, vanaspati and 20,000 mt of rice bran a year. The husk will generate 1 Mw of power a year.

The company has already installed the rice mill which is expected to be fully operative by March 1990. It also plans to achieve full capacity utilisation within a year of operation.

Agro Tech India

Issue opens on	:	7 November 1989
Size of issue	:	Rs.12.98 crore
To Indian public	:	Rs.3.82 crore
Instrument	:	Equity shares of Rs.10 each
Promoters	:	Punjab Agro Industries Corporation (PAIC) together with Kewal Dhillon & Associates
Project	:	Integrated paddy processing complex
Cost of project	:	Rs.47.75 crore
Plant location	:	Village Budhewal, Ludhiana
Listing	:	Ahmedabad, Bombay, Calcutta, Delhi

Aryan Finefab Ltd

Cashing in on the demand in the west for cheap Indian textiles is technocrat D.N. Rai, with a 35-year experience backing him. His 100 per cent export-oriented unit in Gujarat for manufacturing grey cotton fabric is expected to go on stream by the end of this year. A sales turnover target of Rs.8.1 crore is being aimed at for the first year and this figure is expected to rise to Rs.15.4 crore by the next year.

The latest weaving technology and machinery, have been imported from Switzerland. In all, 12 Sulzer Ruti Airjet weaving machines and 48 shuttle looms are being installed, all of them computer-controlled. "We'll need only 40 people to operate these 60 machines," says Arvind Rai, a director of the company. "These machines are so advanced that in countries like Japan, only 5 people operate 60 such machines," he adds.

Aryan Finefab Limited

Issue opens on	:	6 November 1989
Size of issue	:	Rs.1.8 crore
To Indian public	:	Rs.1.65 crore
Instrument	:	Equity share of Rs.10 each for cash at par
Promoter	:	D.N. Rai
Project	:	To set up a 100 per cent export-oriented unit for the manufacture of grey cotton fabrics
Cost of project	:	Rs.4.5 crore
Plant location	:	Kadi in Mehsana district, Gujarat
Listing	:	Ahmedabad, Bombay

Last year, the country exported grey cotton fabrics worth Rs.349 crore. The entire production capacity of the plant (10,000 metres per day) is arranged to be exported through 5 reputed export houses in Bombay. But Aryan Finefab gradually plans to do its own marketing. Next year, the company will export 25 per cent of its products on its own, gradually increasing this figure to 65 per cent in 1991 and doing away with export houses altogether by 1992.

The advanced technology coupled with government incentives for 100 per cent EOUs results in extremely low overheads. "Since we won't have to pay any income-tax, we will easily be able to pay a dividend of 25 per cent after March 1991," promises Rai.

The company plans to install another 18 high-speed Sulzer Ruti Airjet looms and erect a modern spinning plant. The acquisition of the new machines is expected to be financed by internal accruals. The spinning plant, for which about Rs.20 crore will be needed, is expected to be financed by external borrowings and internal accruals.

The Simbhaoli Sugar Mills

The Simbhaoli Sugar Mills (SSM) is an existing company started over 50 years ago with a crushing capacity of 400 tpd. The company has regularly expanded its crushing capacity which has reached 3,500 tpd by the end of March 1989. With the present public issue, SMM will be opening its doors to the public. "The average recovery of sugar has been at around 10 per cent for the last five years," says G.S. Mann, managing director SSM.

The company's turnover for the year ended 31 March 1989 is Rs.33.79 crore the net profit is Rs.48 lakh, and the company has paid a dividend of 15 per cent.

The Simbhaoli Sugar Mills

Issue opens on	:	7 November 1989
Size of issue	:	Rs.60 lakh
To Indian public	:	Rs.60 lakh
Instrument	:	Equity shares of Rs.10 each at a premium of Rs.10 per share
Promoter	:	G.S. Mann
Project	:	Increase sugarcane crushing capacity to 5,000 tpd
Cost of project	:	Rs.8.70 crore
Location	:	Ghaziabad, U.P.
Listing	:	Delhi, Bombay, Kanpur

"The government has been successively reducing the levy sugar percentage to be sold to the government at fixed prices whereas the open market sugar prices have been rising consistently this year. Hence the industry is expected to perform much better," says Mann.

The company is also installing a modern bagasse drier plant with plans to go in for downstream alcohol products.

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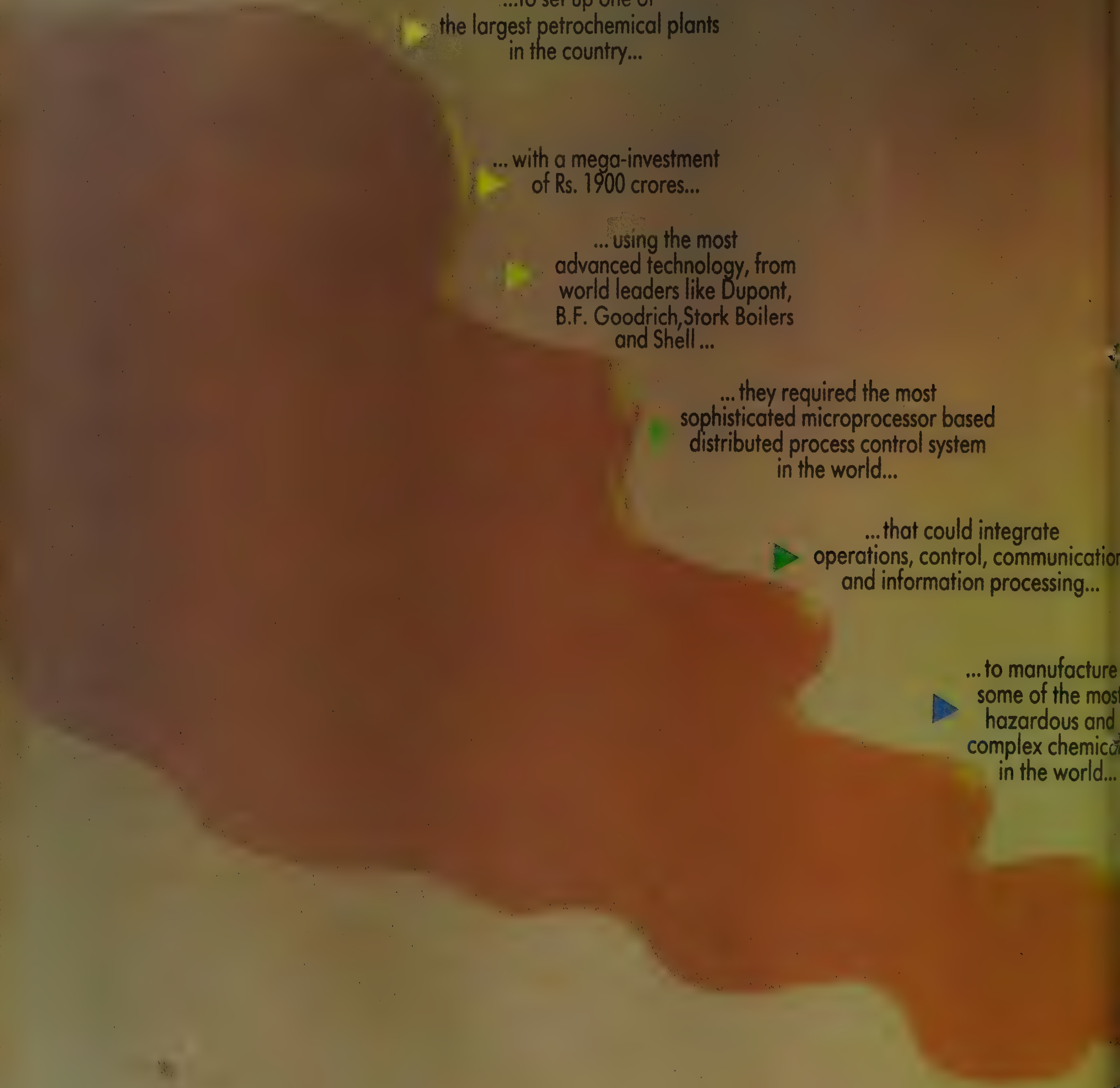

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OCKMARKET REVIEW

olitical news urts, but nstitutions help a ecovery

or the period 9 October to 21 October 89)

SE National Index on 21 October = 7.09, up from 380.26 (+ 1.8 per cent)
SE Sensitive Index on 21 October = 8.52, up from 723.35 (+ 2.1 per cent)
SE Daily Turnover Average for the fort- ght ended 21 October = Rs.69.1 crore, wn 25 per cent
SE Daily Trading Volume for the fort- ght ended 23 September = 56.3 lakh ares, down 25 per cent

ockmarkets declined through the early rt of the fortnight under review before covering towards the end of the fort- ght. Political news, particularly the con- uing Bofors story, was the main reason the decline as marketmen tended to rceive that the government's position s getting increasingly shaky. The gov- ment's announcement on 17 October parliamentary elections to be held on 22 d 24 November sharply accelerated the tnight's initial decline. At the close of ding on 17 October, the BSE Sensitive lex had lost over 15 points during the y, closing at 699.03.

In retrospect, the decline seems puz- ng, since the fixing of the poll dates at st removed a major uncertainty, viz, the ning of the elections, without appearing reduce the ruling party's chances of re- ction. At the time, however, there was a lespread feeling in the market that the vernment's hand had been forced, and breaking of the 700 barrier was ex- cted to have an adverse psychological pact on the market the next day.

stitutional purchases. However, finan- l institutions, led by UTI, preferred not let the market dwell on such issues. A ong and sustained wave of institutional rchases in specified shares on 18 Octo- forced hectic shortcovering, causing market to rally strongly. The shares, ortedly purchased by institutions, in- ded Ashok Leyland, Bajaj Auto, Cen- y, Century Enka, Grasim, Gujarat tiliser, Indian Organic, Mahindra and hindra, Nocil, Premier Auto and Tata Steel. At the end of trading on 18 October, specified shares had more than recovered their lost ground with the BSE Sensitive Index adding over 21 points during the day to close at 721.2 (the broader-based BSE National Index also recovered, but remained below its close of 16 October). Fresh institutional purchases in a broad range of shares continued on 19 and 20 October, and the BSE Sensitive Index added 17 more points by the end of the fortnight.

As a result, many specified shares reached new highs. The list included Ashok Leyland at Rs.85.50, Century at Rs.2,295, Century Enka at Rs.3,000 and Hoechst at Rs.1,260. In contrast, cash shares were neglected by the institutions and, ergo, the market. Thus, while the volume of turnover of specified shares on the BSE averaged Rs.85 crore per day after the institutional intervention and Rs.40 crore in the three trading days prior to 18 October, the turnover of unspecified shares, in comparison, rose nominally from Rs.12 crore to Rs.13 crore. In fact, many important cash shares fell in price, including Bindal Agro, Videocon International, Essar Gujarat, PCS Data, Digital Equipment, India Glycol and Bihar Sponge.

In corporate news, takeover target Consolidated Coffee closed the fortnight at Rs.110, down from Rs.138. The scrip had shot up to Rs.138 from Rs.65 when raider Tata Tea had announced an offer of swapping two Consolidated Coffee shares for one Tata Tea share plus Rs.100 in cash, an offer worth Rs.145 per share, given Tata Tea's market price of Rs.190. The strong likelihood of the raid's success, given the backing of Consolidated's board of directors to the move, should have kept the market price near Rs.145.

Split scrip. Tata Locomotive rose by Rs.32.50 over the fortnight to Rs.1,070 in spite of worsening labour conditions at its Pune plant. The market was constantly fed with rumours of a labour settlement, and this, combined with institutional purchases, kept its price up. Tata Steel also rose on institutional support, closing the fortnight at Rs.1,238.75, up by Rs.20.25. The scrip will be quoted as a split Rs.10 scrip in line with the practice in Calcutta and Delhi from the next settlement.

Bombay Suburban shares were quoted as split shares and the price rose sharply subsequent to the split, closing at a record high of Rs.82.50, up from (the equivalent of) Rs.76 over the fortnight.

Dividend announcements from Colgate (22.5 per cent interim on ex-bonus capital) and FAG Precision (6 per cent interim) caused a sharp rise in their share prices. Colgate closed the fortnight at Rs.195 (after reaching a record high of Rs.201.25), up from Rs.185 and FAG Precision closed at a record high of Rs.660, up from Rs.640.

The huge size of new issues was once feared to cause sharp falls in secondary markets. This fear receded with the success of the Larsen and Toubro and Bindal Agro issues. The scheduled return of L & T to the forward list from 23 October in Bombay, coupled with backwardation charges in Calcutta, caused hectic short-covering in Calcutta and Bombay. Meanwhile, backwardation charges on the CSE, which had reached as high as Rs.50 per share in the *badla* session on 20 October, were reduced when the CSE authorities decided to impose a uniform limited backwardation charge of Rs.7. As a result, L&T's share which had risen to Rs.123, Rs.30 up from its fortnight-earlier close of Rs.93, fell back to Rs.104. Meanwhile, *badla* charges in Bombay continued to be normal at 15 to 18 per cent although as many as 16 scrips, including L & T, attracted backwardation charges.

Strong credit demand. The economy has settled into the busy agricultural marketing season with a strong demand for credit following the good monsoon. Call money rates have, as a result been relatively high at 20 per cent, after hovering around 12 per cent for the past few months. This rise in interest rates is likely to affect the market via raising *badla* rates. However, *badla* rates are likely to rise slowly because the market is still heavily short-sold by speculators (with institutions being the main holders of shares).

Meanwhile, the flow of corporate news has reduced following the near completion of the cycle of corporate announcements of March year-end results (half-yearly results are still a trickle), but all the evidence points to an economy undergoing steady growth, though not as good as last year.

Thus, uncertainty about the elections will probably dominate market sentiment and is likely to be a strong bearish influence on the market in the next few weeks, while institutional support will favour bulls. Since bears tend to wear down the market while bulls tend to charge, the next few weeks are likely to see a mix of sharp upward movements and periods of gradual falls in stock prices.

■ RAFIQ DOSSANI

ADVERTISEMENT

Sona SONA STEERING SYSTEMS LIMITED

Registered Office : 15th Floor, Chiranjiv Tower, 43, Nehru Place, New Delhi-110 019.

DR SURINDER KAPUR.

SPEECH DELIVERED BY DR. SURINDER KAPUR, CHAIRMAN AT THE 5TH ANNUAL GENERAL MEETING OF SONA STEERING SYSTEMS LTD. HELD AT NEW DELHI ON SATURDAY, THE 30TH SEPTEMBER, 1989.

CHAIRMAN'S STATEMENT

Fellow Shareholders,

It gives me great pleasure to welcome you to this Annual General Meeting of your Company, the second after the Company's public issue of capital

JAWAHARLAL NEHRU – A TRUE VISIONARY

This year India celebrates the centenary year of the birth of Pandit Jawaharlal Nehru Panditji, the first Prime Minister of free India; was a true visionary and laid the foundation of modern industrial India. I was a young boy schooling in Delhi in those days and the aspirations and goals that Jawaharlal Nehru set for industrialization of our economy had a profound influence on me. After years of professional studies in U.S.A., I returned to India with an entrepreneurial determination to participate in India's industrial growth. Your Company is my contribution to realise Jawaharlal Nehru's vision and I can say with conviction that this little edifice is built on the strong industrial foundation laid by him in the infancy of our Republic

AGE OF THE AUTOMOBILE

One common feature of the economic growth of various nations around the world, be it USA, Japan, West Germany or South Korea – has been the development of the automobile industry. Some economists have gone as far as to describe this century as the age of the automobile

Though this claim may appear exaggerated in the light of several other innovations and engineering marvels that have been developed in this century, there is no denying the fact that the automotive industry has led the growth of industrialization

In India, we too have looked forward to the Automobile Industry to play the "take off" role for the true industrialization and economic development of our nation and in this context, Maruti's entry into the Automotive Industry has been hailed by all as 'revolutionary"

The introduction of the most modern fuel efficient cars, vans and jeeps are beginning to have a real impact on the automotive ancillary industries, machine tool industries, basic raw materials along with the automotive service facilities.

While the annual world production of automobiles is approximately 45 million cars and commercial vehicles, in India, we only produce less than half a million per year. With India having 8% of world population and only 0.7% of automotive production, it is clear that the growth opportunities of this infant industry are vast.

Your Company is in this exciting growth sector of the economy

INTERNATIONAL PRODUCT STANDARDS

The Planners of our economy envisage an annual growth rate of approximately 10% for the Automotive Industry during the Eighth Five Year Plan. They have also set a target of 10% of this production to be exported. This is a compliment to the industry of having come of age. The fact that Maruti has recently launched its Cars in the developed and "open" market of France clearly demonstrates India's ability to export. With this launch, Maruti's exports will substantially improve which will have a spin off benefit of its own expansion and that of the Ancillary Industry. In this context, your Company, as a Maruti Joint Venture Company is uniquely positioned.

We are in a high-growth, high-technology industry, where product quality and safety are of prime concern. Your Company is the only one in India capable of producing energy absorbing collapsible steering columns for cars and vans. This unique safety feature is being incorporated in Maruti's export vehicles. Variable Ratio Recirculating Ball Screw Steering Gear Assemblies are also being produced by your Company for the first time in India.

As you are aware, your Company has been supplying steering systems for Maruti car and Omni van. In the next few months, the steering systems for Maruti's Gypsy would be ready for production. Your Company has developed steering gear systems for DCM Toyota and Eicher Mitsubishi light commercial vehicles. Other vehicle manufacturers have approached your Company for products to upgrade their existing vehicles. We have just redesigned the rack and pinion steering system for an existing popular model of car. Discussions are under way for a variable ratio steering gear for a new generation of pick-up van/car being developed by a leading manufacturer in India. You will be happy to know that your Company's products have good potential for exports and samples of steering systems have been shipped to a car manufacturer overseas for evaluation.

HUMAN RESOURCE DEVELOPMENT

We at Sona believe that the Company's excellence and growth are linked to the excellence and growth of our employees. Here, I would like to share with you our experience with the Employees' Suggestion Scheme which was introduced last year. The Sona Suggestion Scheme is unique.in that every Monday, a meeting of all the employees of the Company is convened to provide a forum for each employee to put forth his or her suggestion. Suggestions received so far cover a wide range of subjects – safety, quality, productivity, systems and procedures, working conditions, etc. Every suggestion is rewarded. There is an award for the best suggestion of the month. A total of 691 suggestions have been received since the inception of the scheme, out of which over 500 have been implemented so far. Implementation of some of these has led tc substantial improvement in varied spheres of the Company's working. Two employees, Shri Naresh Pal and Shri Roshan Lal who have provided outstanding suggestions during the year have been identified for further training at our collaborators works in Japan

We, at Sona, have also formed our Employees Joint Council wherein employees of all departments and strata are represented. This Council meets once a month to discuss issues of concern to employees of Sona. To cite an example, the deliberations of the Council have resulted in re-alignment of employee compensation in line with the region and industry norms

As a part of our personnel development program, it is my desire that each and every employee of the Company must visit the customers of the Company once a year. This program has been implemented recently and has brought an appreciation of the customers' needs of quality products and timely delivery. I hope this will get translated into a quest for providing customer satisfaction at all levels.

Excellence does not happen. It has to be achieved by deliberate effort, and hard work. It requires unflinching consistency in operating decisions. And it needs competent and motivated people. The Company runs training courses for all workmen in subjects such as Machine Drawing, Tool Geometry, Metallurgy and Machine Tools. These courses are conducted by the Company's own engineers. The credit for human resources development must go to all in the Company. Each and every employee has contributed to make the organization a unique one

Where else can you find an employee who makes a suggestion to reduce the number of operatives in his section by decreasing the length of the work station.

Where else can you find an employee who proposes to take on additional work-load to reduce production cycle time

Where else ... but at SONA

JAPANESE MANAGEMENT SYSTEM

In our constant quest for excellence, we have been trying to adopt the Japanese Management System. The success of the Japanese Management System has been recognised all over the world and is evidenced by Japan's rapid economic growth since the 50's and their technological leadership in many fields today. However, what is not easily appreciated is that there are many historical and cultural factors which influence the successful implementation of this system, and there are significant differences between the Japanese and Indian situation. The essential principles are nevertheless applicable to India and this is what we are trying to do with the help of our collaborators and Japanese advisors.

Planning of production and sales on the basis of customers' daily requirement; reduction of inventories especially work in process and finished goods – in other words 'JUST IN TIME' production and sales – is one of the essential components of the Japanese rationalised production management system which we have introduced. In totality the concept embraces all aspects of management and when successfully implemented, is expected to result in improved productivity and reduced costs

GROWTH PLANS

To you, dear shareholders, we have promised to provide a steady return on and appreciation of your investment. THIS IS THE YEAR OF OUR MAIDEN DIVIDEND. We have commenced giving you return on your equity. Your Company's shares are quoted at a premium on the stock exchanges. We intend to provide opportunities to you for further participation in our growth.

With Phase II of the Steering Project completed, we are looking towards expansion of our facilities to meet the growing demand for our products. Capacity utilisation which was around 60% during the last year, is planned to be 90% this year. Maruti Udyog Ltd is planning to launch their contemporary three-box car which has been specifically designed for India and it is predicted that this car will be a runaway success. The steering systems for this car is with us for development and the Company would be ready to supply this product when the car is launched next year. We therefore need to expand our capacity to at least 200,000 steering gear assemblies per annum

The Axle Project is under implementation. The building would be completed in the last quarter of this year. Plant and machinery is expected to arrive early next year and assemblies would commence thereafter. This Project will be completed in two phases by March, 1991

At the request of our valued customer and joint venture partner, Maruti Udyog Ltd , we are proposing to set up another project for manufacture of propeller shafts Prototypes developed by us are undergoing tests at Maruti.

With the implementation of our expansion of capacity of Steering Systems and diversification into Axle Assemblies and Propeller Shafts Assemblies, your Company expects to achieve a sales turnover of Rs. 100 crores within three years

As I said last year, the opportunities before us are many and the future beckons us. I am confident that with our unique strengths and your continued support, we can realise our contribution to an efficient and profitable industrial base for our country

I take this opportunity to thank my colleagues on the Board, my team at Sona, our suppliers, our banks and financial institutions, all our shareholders, our collaborators, Koyo Seiko Co. Ltd., and finally our partner and promoter, Maruti Udyog Ltd.

Thank you,

DR. SURINDER KAPUR

NOTE : This does not purport to be a record of proceedings of the Annual General Meeting of the Company

PRESSMAN

RIMARY MARKET

A new phenomenon

oubts about investor response to the flo-
ations of convertible debentures and
quity by a host of companies over the last
vo months have been belied. Reports on
ollections of applications that have star-
ed coming in from bank branches all over
he country show a very clear picture: that
nost of the public parts of issues made by
xisting companies, or new ones, have met
ith great success. The response has been
uly phenomenal. A senior official of Unit
rust of India says, "There has been a gen-
ine public response, and the institutions
ave not been called to put their money
." It is estimated that as much as
s.1,000 crore was collected in the past
vo months by way of application monies
one.

lear preference. This success of the cor-
orate sector in the new issues market
hows that investors have a clear prefer-
nce for the high-risk instrument that
quity capital is. Comments Shitin Desai,
irector of DSP Financial Consultants,
ombay, "A number of factors have been
esponsible for the overwhelming re-
ponse in the new issue markets." Accord-
g to him, the fact that most of the issues
ave come from existing companies with
ividend and capital appreciation records
as made a big difference". Investor con-
dence took a beating after the rash of
pecious issues made in the boom year of
985-86.

In that watershed year, several com-
anies had made public issues of Rs.60
kh or less which did not require the con-
ent of the Controller of Capital Issues.
erchant bankers today admit "several fly-by-night operators took advantage of this liberalisation and mopped up funds from the public". But today the market is spared a similar trend.

Companies went all out to sell their issues. In most cases, particularly the mega issues, the attempt was to broaden and deepen the market with the help of both the print media and bank branches. The government also permitted companies the use of Doordarshan to sell the issue. That was not lost on India's teeming millions.

Bank loans. Again, banks came forward with loans for subscribing to shares and debentures, not only for individual investors but also investment companies. All this was done within the guidelines of the Reserve Bank of India. For instance, it is reported that in the Apollo Tyres issue, approximately Rs.15 crore was made available as bank loans to individual investors and even investment companies controlled by the promoters of issues.

Investor confidence took a beating after the rash of specious issues made in the boom year of 1985-86

Companies, in consultation with merchant bankers, also ensured that the effort of selling issues was highly remunerative for the stockbroking community by way of higher incentives and brokerage (2.5 to 3 per cent).

Says S.V. Venkatesan, senior vice-president, group finance, Essar group of companies, "The Essar Gujarat public issue component of Rs.145.39 crore has been oversubscribed three times, according to information we have. And at the rate the rights issue is progressing, we expect it to be easily oversubscribed." For Essar Gujarat, as for the other mega issue companies, the issues were crucial for the success of the projects. It proved once again that a company's public image has a direct relationship with the faith expressed by the investing public.

Essar Gujarat made a special effort to penetrate the market. The company deployed the largest number of bank collection centres — 600 — all over the country. It also pressed into service a network of nine small banks all over the country. "I think this helped us in achieving our objective," says Venkatesan. According to him, a one-day familiarisation programme was organised for the key staff of these banks. "Here," he says, "we appraised them about Essar as a group, details of the convertible debenture issue, and questions likely to be asked at the investor conferences." And for the investors, the company put out advertisements in 14 language papers.

Of the L&T Vision issue, a source in the merchant banking division, Industrial Credit and Investment Corporation of India, says, "That issue has certainly been oversubscribed though we don't have the numbers. This is in spite of the court case the company got involved in."

Attractive terms. The other successful mega issue has been by Bindal Agrochem of the Oswal group. According to current reports, this too has been oversubscribed a minimum of three times (public issue component). Says Desai of DSP Financial Consultants, "The issue was sold on attractive conversion terms. Besides, Abhey Oswal assured investors through newspaper advertisements that share transfer formalities would be completed in 45 days." In the case of Bindal Agro, about 250 collection centres were set up. The company made extensive use of full page advertisements extolling the benefits of the gas-based fertiliser project that the company proposes to put up with the proceeds of the issue.

The new issue market has been very lively, mainly on account of the fact that this time there have been a proliferation of issues from existing companies and promoters with track records. And this is a common thread running through most issues, big or small (*see table*). As a result, in most cases, total promotion costs have remained within the 5 per cent (of issue size) band.

Performance of some major companies

Name of the issue	Size available to Indian public *(Rs. crore)*	No. of times oversubscribed	Opening date
Larsen & Toubro	169.00	2-3 times	4 October
Bindal Agro	115.25	1.5-2 times	19 October
Essar Gujarat	145.39	2-3 times	8 September
Usha Rectifiers	153.90	1.4 times	11 October
Apollo Tyres	59.63	5 times	19 September
Gujarat Nylon	7.50	30 times	3 October
FB Industries	5.04	7-8 times	18 October
Raj Tours & Travels	1.83	7.5 times	26 September
BPL Electronics	1.85	35 times	16 October
Modi Olivetti	2.5	5 times	23 October
Onida Savak	1.92	10 times	24 October
UB Petroproducts	5.07	30 times	18 September
United Van der Horst	0.50	15 times	3 October
Ramada Hotels India	3.27	1.5 times	11 September
Western India Industries	1.61	15 times	28 August

STOCKMARKETS

Company Face value	Year Ended	Equity Rs Cr	Reserves Rs Cr	Book value Rs	Price 20.10.89	52 weeks		EPS in Rs		PE Times	Dividend %	Yield %	Bonus	
						High	Low	Year	Half-yr				Year	Ratio
A.P.SCOOTERS,10	07/87	9.94	-13.25	-3.33	4.00	6.00	2.00	-4.8			11.0	27.5		
ACC,100	03/89	55.95	81.30	245.31	292.00	415.00	237.00	4.5	1.9	64.9		3.6	86	1:5
AHM CALICO,125	06/87	13.56	20.60	314.90	36.00	41.00	25.00	-160.4		23.8			77	1:7
AHM ELECTRIC,100	03/89	19.81	67.58	441.14	300.00	380.00	132.50	27.7	11.8	10.8	16.0	5.3	87	1:5
ALFA LAVAL,10	03/89	5.21	21.57	51.40	77.50	90.50	47.00	12.0	3.4	6.5	25.0	3.2	89	1:2
AMAL RASAYAN,10	03/89	1.48	5.14	44.73	85.00	147.50	76.25	18.2	9.1	4.7	25.0	2.9		
AMB SARABHAI,10	03/88	22.20	-1.72	9.23	17.00	24.00	10.50	0.8		21.2			82	1:5
AMFORGE,10	03/89	5.33	11.32	31.24	85.00	97.00	48.00	7.0	3.5	12.1	25.0	2.9		
ANDHRA CEMENT,10	03/88	18.20	-2.70	8.52	10.00	18.00	8.50	0.7	-4.0	14.3	10.0	10.0	67	1:2
ANDHRA VALLEY,100	03/88	10.51	38.33	464.70	316.25	405.00	230.00	110.9	73.8	2.9	18.0	5.7	75	1:9
ANDREW YULE,10	03/87	9.41	22.81	34.24	59.50	72.00	16.50	2.2		27.0	10.0	1.7	67	2:5
ANNAPURNA FOILS,10	03/88	9.05	0.00	10.00	7.00	17.00	7.00							
APOLLO HOSP,10	06/88	5.44	1.33	12.44	11.50	19.00	10.00	3.7	1.2	3.1	15.0	13.0		
APOLLO TYRES,10	10/88	7.75	14.19	28.31	92.50	136.50	54.00	19.1	7.9	4.8	25.0	2.7		
APPLE LEASING,10	03/89	3.75	0.81	12.16	20.00	24.50	7.50	4.3	3.9	4.7	35.0	17.5		
ASEA,10	12/88	5.18	8.25	25.93	55.00	77.50	42.50	3.0	1.6	18.3	21.0	3.8		
ASHOK LEYLAND,10	12/88	21.39	84.87	49.68	83.50	84.00	59.00	8.1	2.2	10.3	21.0	2.5	78	1:2
ASIAN CABLES,10	03/89	5.59	7.32	23.09	44.00	70.00	16.00	5.8	2.4	7.6	18.0	4.1	81	1:3
ASIAN HOTELS,10	03/89	15.05	4.81	13.20	54.00	62.00	44.00	4.1		13.2	25.0	4.6		
ASIAN PAINTS,10	03/89	12.44	41.02	42.97	211.25	227.50	165.00	12.2	7.7	17.3	42.0	2.0	87	1:2
ASSAM CO,10	03/89	7.00	26.02	47.17	240.00	240.00	90.00	16.8		14.3		2.7	89	1:1
ASSAM FRONTIER,10	03/89	3.00	10.53	45.10	188.75	220.00	115.00	13.7		13.8	50.0	2.6		
ASTRA IDL,10	03/89	2.50	2.97	21.88	62.50	72.00	32.00	4.9		12.8	10.0	1.6		
ATLAS COPCO,10	03/89	7.26	7.95	20.95	48.00	63.00	33.00	0.8	0.2	60.0	10.0	2.1	87	1:2
ATLAS CYCLE,10	06/88	1.53	13.93	101.05	98.75	152.50	75.00	14.7	7.4	6.7	20.0	2.0	87	1:2
AVERY INDIA,10	12/87	4.20	9.34	32.24	110.00	144.00	106.00	8.6		12.8	35.0	3.2	84	2:5
BAJAJ AUTO,10	03/89	18.81	219.74	126.82	321.25	462.50	301.25	21.6		14.9	35.0	1.1	87	1:1
BAJAJ PLASTIC,10	03/89	1.50	4.94	42.93	34.00	38.50	13.50	-7.9	-4.1	20.0			86	1:1
BAJAJ TEMPO,10	03/89	6.60	42.10	73.79	138.75	152.50	93.75	2.0		69.4	20.0	1.4	86	1:1
BAKELITE HYLAM,10	03/89	4.50	19.51	53,36	55.00	56.00	25.00	3.7	2.0	14.9	18.0	3.3	80	2:3
BALLARPUR,10	06/88	20.97	27.11	22.93	140.00	149.00	34.50	8.3	4.3	16.9	18.0	1.3	89	1:2
BARODA RAYON,100	03/89	17.97	32.35	280.02	720.00	735.00	290.00	62.9		11.4	15.0	2.1	82	1:2
BASF,10	03/89	4.26	12.32	38.92	140.00	150.00	102.50	8.6	4.0	16.3	25.0	1.8	88	1:2
BATA INDIA,10	12/87	10.50	17.18	26.36	67.00	89.00	62.00	3.7		18.1	15.0	2.2	87	1:1
BATLIBOI,10	09/88	2.79	3.93	24.09	17.00	22.50	14.00	1.1		15.5	10.0	5.9		
BAYER INDIA,100	12/87	16.22	11.19	168.99	740.00	900.00	540.00	27.4	25.5	27.0	16.0	2.2	87	1:1
BEST & CROM,10	03/89	7.10	17.80	35.07	45.00	83.00	28.50	1.6		28.1	10.0	2.2	82	3:5
BHADRA PAPER,10	03/89	10.57	27.85	36.35	97.50	110.00	31.00	8.8		11.1	35.0	3.6		
BHARAT FORGE,10	03/89	14.06	19.23	23.68	72.50	120.50	68.50	5.9	3.9	12.3	25.0	3.4	88	1:1
BHARAT GEARS,10	03/89	-4.03	5.50	23.65	24.00	28.25	13.50	-2.4	0.1	9.5		6.2		
BIHAR ALLOY,10	03/89	8.20	-8.25	-0.06	38.00	51.50	12.75	3.6	2.4	10.6				
BIMETAL,10	03/89	1.91	10.91	67.12	80.00	110.00	25.00	15.1		5.3	27.5	3.4	89	1:1
BINDAL AGRO,10	12/88	3.79	8.50	32.43	116.50	130.00	70.00	19.9		5.9	50.0	4.3		
BIRLA JUTE,10	03/88	20.37	83.19	50.84	50.00	71.00	42.00	0.1	2.6	500.0	14.0	2.8	86	1:1
BIRLA YAMAHA,10	08/87	8.00	0.17	10.21	9.00	14.00	7.75	0.2	-2.9	45.0				
BLOW PLAST,10	07/88	2.00	3.64	28.20	35.00	55.00	30.00	1.7		20.6	15.0	4.3	87	1:1
BLUE STAR,10	03/89	3.55	11.60	42.68	76.25	77.50	55.00	10.2		7.5	18.0	2.4	86	3:5
BOM BURMAH,100	03/89	5.52	16.26	394.57	490.00	555.00	380.00	40.7	21.7	12.0	30.0	6.1	78	1:4
BOM DYEING,10	03/89	11.24	70.65	72.86	124.00	161.00	96.00	16.0	11.0	7.8	30.0	2.4	79	1:1
BOM SUBURBAN,10	03/89	6.60	78.22	1285.15	82.50	82.50	23.00	129.4		0.6	20.0	24.2	89	1:1
BOOTS,10	03/89	8.10	9.33	21.52	130.00	146.00	100.00	5.5	2.8	23.6	22.0	1.7	87	1:1
BOROSIL GLASS,10	03/89	2.24	7.94	45.45	64.50	82.00	28.75	6.0		10.8	25.0	3.9	82	1:2
BRITANNIA,10	03/89	12.38	28.00	32.62	122.50	122.50	87.50	6.7		18.3	32.0	2.6	89	1:2
BROOKE BOND,10	12/88	24.73	45.59	28.44	95.50	102.50	65.00	9.7	6.2	9.8	33.0	3.5	89	1:2
BURROUGHS,10	02/89	3.00	15.82	62.73	92.50	116.25	91.25	12.0	5.3	7.7	45.0	4.9	89	1:1
C.E.S.C.,10	03/88	16.94	67.56	49.88	33.50	34.75	14.30	4.9	2.8	6.8	16.0	4.8		
C.P.TOOLS,100	03/89	4.57	9.61	310.28	340.00	530.00	330.00	19.0		17.9	15.0	4.4	77	1:3
CABLE CORP,10	03/89	9.00	18.86	30.96	86.00	91.00	55.00	11.5	8.3	7.5	27.5	3.2		
CARRIER AIRCON,10	03/88	6.25	0.00	10.00	22.50	40.00	21.00							
CEAT TYRES,10	06/88	14.76	87.68	69.40	165.00	176.25	91.25	13.6		12.1	27.5	1.7	86	1:2
CEMINDIA,10	03/89	1.28	8.06	72.97	97.50	135.00	72.50	6.8	3.6	14.3	40.0	4.1	84	3:5
CENTURY ENKA,100	03/89	16.61	111.66	772.25	3000.00	3000.00	1720.00	236.2	91.0	12.7	42.0	1.4	88	2:5
CENTURY SPIN,100	12/88	26.62	201.09	855.41	2295.00	2295.00	1260.00	25.9	71.3	88.6	30.0	1.3	86	2:3
CHAMPAGNE,10	12/87	2.50	-1.46	4.16	14.00	22.00	12.00	-3.2						
CHLORIDE,10	12/88	20.65	16.51	18.00	83.00	85.00	74.00	5.0	2.5	16.6	31.5	3.8	86	3:5
CIFCO FINANCE,10	07/88	4.78	0.40	10.84	8.00	11.00	6.75	1.7		4.7	15.0	18.8		
CITURGIA,10	03/89	3.38	6.54	29.35	96.00	115.00	80.00	8.3		11.6	35.0	3.6		
COLGATE,10	03/89	31.44	13.62	14.33	195.00	185.60	145.00	13.5	7.6	14.4	45.0	2.3	89	1:1
COLOUR CHEM,100	03/89	7.94	13.35	268.14	510.00	525.00	400.00	37.9	26.8	13.5	22.0	4.3	80	2:5
COMET STEEL,10	03/89	9.65	1.25	11.30	20.00	25.00	11.50	2.7	1.6	7.4	16.0	8.0		
COROM FERT,10	12/88	24.32	24.79	20.19	22.00	36.00	13.50	-4.9			8.0	3.6	86	1:2
COSMO FILMS,10	03/88	2.39	7.45	41.17	33.00	65.00	14.00	6.6		5.0	18.0	5.5		
CROMPT GREA,100	06/88	9.60	62.01	745.94	1380.00	1400.00	25.00	61.4		22.5	18.0	1.3	79	1.3
CYANAMID,10	03/89	5.25	10.26	29.54	88.00	91.00	55.00	5.6		15.7	20.0	2.3		
DCM,10	03/89	23.02	28.19	22.25	53.00	78.00	13.50	1.8		29.4			71	4:5
DCM TOYOTA,10	09/88	15.00	-12.96	1.36	13.00	16.00	9.50	-1.1	-0.4					
DEEPAK FERT,10	03/89	14.82	11.32	17.64	29.25	51.00	27.00	4.7	3.0	6.2	18.0	6.2		
DEEPAK NITR,10	03/89	2.43	6.48	36.67	67.00	85.00	14.50	9.2		7.3	28.0	4.2	85	1:2
DEMPO STEAM,100	06/85	2.00	-9.83	-391.50	5.00	6.50	5.00							
DHARAMSI,10	03/89	6.24	11.15	27.87	37.00	39.00	27.50	3.2	1.7	11.6	20.0	5.4	79	2:5
DR.REDDYS,10	03/89	1.37	1.36	19.93	62.50	85.00	52.50	5.2		12.0	25.0	4.0		
DUNCAN AGRO,100	12/86	2.03	14.11	795.07	380.00	430.00	111.00	92.1		4.1	15.0	3.9	77	1:2
DUNLOP,10	03/89	18.99	68.77	46.21	71.00	105.00	47.50	5.3	2.5	13.4	30.0	4.2	76	1:3
E. MERCK,10	12/87	5.94	5.04	18.48	73.00	90.00	55.00	2.2	1.2	33.2	16.0	2.2	86	3:5
E.I.HOTELS,10	03/89	23.84	42.12	27.67	61.00	67.00	50.00	4.0		15.2	20.0	3.3	84	2:5
EICHER MOTORS,10	04/88	9.98	-6.04	3.95	12.00	18.00	9.50	6.4	-4.8	1.9	12.0	10.0		
EID PARRY,10	06/88	6.28	6.69	20.65	62.00	70.00	35.00	4.5		13.8	20.0	3.2		
ELECON ENG,10	03/89	5.65	26.90	57.61	66.00	77.00	50.00	4.6	2.4	14.3	20.0	3.0	87	3:5
ENFIELD,10	06/88	5.04	9.15	28.15	11.25	12.75	9.50	-10.4					85	1:1
ENGLISH ELECT,10	03/89	9.00	18.16	30.18	60.00	72.00	47.50	2.7	2.8	22.2	7.5	1.2	87	1:1
ESCORTS,10	03/89	33.90	114.78	43.86	78.00	83.50	58.50	5.3	2.7	14.7	28.0	3.6	87	3:5
ESKAYEF,10	03/89	7.50	20.99	37.99	111.25	165.00	111.25	8.2		13.6	27.0	2.4	88	1:2
ESSAR SHIPPING,10	06/89	44.37	44.05	19.93	22.50	35.00	20.00	4.4		5.1	30.0	13.3		
EXCEL,10	03/89	4.62	11.98	35.93	156.00	166.00	110.00	10.3	6.7	15.1	50.0	3.2	84	4:5
FAG PRECISION,100	03/89	3.36	8.71	359.23	660.00	660.00	140.00	68.8	40.2	9.6	16.0	2.4		
FERRO ALLOYS,100	03/89	5.52	24.78	548.91	1250.00	1650.00	480.00	171.5	31.7	7.3	20.0	1.6	80	1:2
FGP,10	03/88	4.89	5.82	21.90	50.00	60.00	30.00	4.1	3.7	12.2	16.0	3.2	87	1:2
FICOM ORGANIC,10	03/89	1.29	5.96	56.20	172.50	240.00	106.25	19.0	11.0	9.1	60.0	3.5	87	[illegible]
FINOLEX,10	03/89	3.24	30.80	105.06	320.00	422.50	300.00	58.1	31.9	5.5	60.0	1.9	88	4:5
FIRST LEASING,10	11/87	6.30	8.78	23.94	18.00	19.00	14.00	6.4		2.8	25.0	13.9	83	1:3
FLAKT INDIA,10	12/88	3.40	4.08	22.00	51.00	80.00	13.00	5.6		9.1	20.0	3.9	86	1:3
FOOD SPECIAL,10	12/88	30.72	17.84	15.81	108.00	136.70	97.70	7.3	4.0	14.8	25.0	2.3	89	3:5
FORBES FORBES,10	03/89	4.25	20.54	58.33	46.25	66.00	38.00	3.7		12.5	30.0	6.5	82	2:5
FULFORD,10	12/87	0.80	2.28	38.50	350.00	425.00	280.00	8.8	6.1	39.8	22.0	0.6	88	1:1
G.E.SHIPPING,10	03/89	55.61	55.28	19.94	43.34	46.25	34.25	5.4	1.5	8.0	12.0	2.8	81	2:3
G.K.W.,10	03/89	24.06	30.30	22.59	21.00	26.00	9.00	-0.6					83	1:3
G.T.C.INDUST,10	03/89	5.00	13.24	36.48	23.00	24.50	14.35	5.1		4.5	24.0	10.4	72	1:4
GABRIEL,10	03/89	2.64	4.36	26.52	50.00	50.00	21.00	4.4	1.9	11.4	20.0	4.0	78	3:5
GAMMON INDIA,10	07/88	2.16	13.46	72.31	95.00	310.00	86.00	1.9		50.0	18.0	1.9	82	2:5
GARDEN SILK,10	03/88	12.57	82.28	75.46	47.50	75.00	42.50	11.1	1.4	4.3	30.0	6.3		
GARWARE NYLON,10	12/88	9.72	14.92	25.35	50.00	67.00	37.00	3.6	2.4	13.9	20.0	4.0	83	1:2
GARWARE POLY,10	06/88	8.31	28.96	44.85	64.00	122.50	62.50	6.5	3.6	9.8	20.0	3.1		
GARWARE SHIP,10	03/88	3.75	0.03	10.08	18.75	41.00	17.00	-3.6	3.2					
GEN ELECTRIC,10	03/89	7.20	30.60	52.50	68.00	92.00	46.50	13.9		4.9	15.0	2.2	89	1:1
GENELEC,10	03/88	2.16	5.79	36.81	28.00	72.50	25.00	6.5		4.3	14.7	5.2	84	1:1
GEORGE WILL,10	09/88	6.30	24.05	48.17	190.00	200.00	95.00	8.7	5.0	21.8	40.0	2.1	86	4:5
GERMAN REME,10	03/89	3.26	5.20	25.95	85.00	102.00	61.00	117.8	72.5	0.7	15.0	1.8	82	3:5
GLAXO,10	03/89	20.00	39.91	29.95	97.50	104.00	73.50	9.1		10.7	20.0	2.1	80	1:3
GODFREY PHILIPS,10	03/89	2.60	3.80	24.62	40.00	52.50	21.00	4.5	2.1	8.9		7.1	75	1:1
GOETZE,10	03/89	6.93	14.10	30.35	82.00	90.00	48.00	6.2		13.2	22.0	2.7	76	4:5
GOKAK PATEL,10	03/89	6.52	19.12	39.33	71.25	120.00	71.25	6.0		11.9	20.0	2.8	87	1:1
GOOD NEROLAC,10	06/88	3.24	5.08	25.68	55.00	81.00	42.50	2.0		27.5	20.0	3.6	78	5:7
GOODYEAR,10	12/88	7.48	31.95	52.71	98.00	125.00	78.00	13.8	5.6	7.1		4.2	77	2:5
GRAMOPHONE,10	03/89	4.37	11.43	36.16	9.12	21.50	4.56	-11.0						
GRASIM,10	03/89	37.70	127.25	43.75	104.50	135.00	76.50	10.5	6.4	10.0	27.5	2.6	88	3:4
GREAVE COTTON,100	03/89	6.57	26.22	499.09	720.00	720.00	400.00	102.7		7.0	18.0	2.5	88	1:2
GUJ ALKALIES,10	03/89	17.90	29.78	26.64	74.00	77.50	55.00	2.4	-1.3	30.8	26.0	3.5	87	1:5
GUJ AMB CEM,10	06/88	19.99	4.01	12.01	21.00	27.50	14.50	2.1		10.0	11.0	5.2		
GUJ NARMADA,10	03/89	88.99	103.47	21.63	30.75	61.00	30.00	1.0		30.8	10.0	3.3		
GUJ STATE FERT,10	03/89	26.95	208.59	87.40	182.50	182.50	125.00	18.1	12.8	10.1	37.5	2.1	87	1:3
HARRISON,10	03/88	9.10	15.62	27.16	91.50	101.00	45.50	5.6	0.5	16.3	25.0	2.7	87	2:5
HERDILLIA CHEM,10	03/89	7.35	41.35	66.26	96.00	105.00	64.00	11.3	5.5	8.5	21.0	2.2	78	1:2
HERO HONDA,10	06/88	15.60	1.94	11.24	19.00	39.00	19.00	1.2		15.8				
HIND ALLOY,10	03/89	5.89	5.03	18.54	62.50	98.00	46.25	6.2	4.3	10.1	30.0	4.8		
HIND ALUM,10	03/89	17.85	162.39	100.97	255.00	322.50	121.00	15.8		16.1	37.5	1.5	88	1:3
HIND BROWN,100	03/89	5.47	25.33	563.07	700.00	910.00	77.50	70.0		10.0	23.0	3.3	78	1.3
HIND CIBA,100	03/89	17.71	40.07	326.26	970.00	1080.00	610.00	67.4	45.9	14.4	30.0	3.1	80	1:2
HIND COCOA,10	03/89	8.40	12.04	24.33	128.75	137.50	100.00	7.1		18.1	25.0	1.9	87	1:1
HIND DEVELOP,10	03/89	8.42	92.56	119.93	101.00	115.00	83.75	14.0	6.0	7.2	25.0	2.5	86	1:1
HIND DORR-OLIVER,10	03/89	4.76	8.41	27.67	72.50	105.00	56.25	7.1	1.6	10.2	50.0	6.9	89	1:1
HIND FERODO,10	03/89	5.50	1.89	13.44	19.50	23.00	16.00	1.4		13.9	5.0	2.6	83	4:5
HIND LEVER,10	12/88	93.32	112.74	22.08	101.50	101.50	69.00	5.2	2.5	19.5		3.4	87	1:1
HIND MOTOR,10	03/89	26.35	44.89	27.04	24.50	50.25	24.50	-2.2			7.5	3.1	86	1:1
HMM,10	04/88	14.18	93.90	76.22	207.50	215.00	117.50	6.6	5.7	31.4	40.0	1.9	87	1:1
HOECHST,100	03/89	9.58	27.94	391.65	1230.00	1230.00	500.00	37.7		32.6	20.0	1.6	82	1:2
HOGANAS,10	10/87	1.15	0.00	10.00	54.00	63.00	39.00		-0.6					
HOTEL LEELA,10	03/89	11.80	-2.30	8.05	13.00	22.00	7.50	-0.4						
HOUSING DEV FIN,100	03/89	19.98	44.56	323.02	295.00	345.00	170.00	96.8		3.0		5.7		
HYD.ALLWYN,10	07/87	8.10	10.70	23.21	13.50	22.00	8.50	3.7	4.2	3.6	15.0	11.1		
ICIM,10	12/87	4.13	9.13	32.11	22.00	67.00	16.00	2.3		9.6				
ICI,10	03/89	40.87	84.19	30.60	50.00	67.00	38.50	3.4	0.9	14.7	22.5	4.5	78	1:3
INDIA CEMENT,10	03/88	4.90	46.92	105.76	17.00	32.00	16.00	3.0		5.7	12.0	7.1	80	2:5

Company Face value	Year Ended	Equity Rs Cr	Reserves Rs Cr	Book value Rs	Price 20.10.89	52 weeks		EPS in Rs		PE Times	Dividend %	Yield %	Bonus	
						High	Low	Year	Half-yr				Year	Ratio
INDIA GYPSUM,10	04/88	4.50	0.00	10.00	9.00	17.00	8.00	-5.9	-2.0					
INDIA POLYFIBRES,10	12/87	29.75	-2.73	9.08	7.00	10.00	4.50							
INDIA STEAMSHIP,10	03/88	4.95	-65.15	-121.62	11.25	84.00	10.00	-16.9					75	1:1
INDIAN ALUM,10	12/87	41.16	49.09	21.93	149.00	188.00	34.00	0.9	0.7	165.6	14.0	0.9	77	2:5
INDIAN DYESTUFF,100	03/89	9.41	35.85	480.98	205.00	335.00	165.00	0.9		227.8	10.0	4.9	80	1:4
INDIAN HOTEL,10	03/89	9.86	48.38	59.07	137.50	145.00	104.00	9.5	6.5	14.5	30.0	2.2	89	1:2
INDIAN ORGANIC,10	03/89	18.40	20.63	21.21	51.50	52.50	25.00	3.0		17.2	10.0	1.9	85	1:2
INDIAN OXYGEN,10	03/89	14.60	32.65	32.36	42.00	50.00	40.00	1.9		22.1	10.0	2.4	85	1:3
INDIAN RAYON,10	06/89	25.40	190.83	85.13	84.50	105.00	76.00	3.9	2.0	21.7	28.0	3.3	80	1:4
INDIAN SEAMLESS,10	03/89	2.21	4.02	28.19	162.50	210.00	57.50	15.8	5.9	10.3	18.0	1.1	89	3:4
INDOGULF FERT,10	09/87	164.81	0.00	10.00	14.00	27.00	13.25							
INDROL,10	06/89	6.16	26.27	52.65	242.50	327.50	225.00	11.8		20.6	36.0	1.5	86	1:1
INDU NISSAN,10	12/87	6.00	1.21	12.02	12.50	31.50	11.50	5.6	2.9	2.2	10.0	8.0		
INGERSOLL,10	03/89	7.89	31.00	49.29	385.00	425.00	272.50	13.4	8.8	28.7	45.0	1.2	89	1:1
ION EXCHANGE,10	04/88	3.46	7.20	30.81	70.00	94.00	65.00	4.3		16.3	20.0	2.9	88	4:5
IPITATA,10	12/87	12.00	-15.79	-3.16	17.00	26.00	12.50	-6.9		6.7				
ITC,10	03/89	33.17	159.47	58.08	66.00	67.00	22.50	11.7	4.5	5.6	40.0	6.1	89	1:1
J.B.CHEMICAL,10	06/89	3.00	2.84	19.47	35.25	44.00	26.00	4.4		8.0	23.0	6.5		
J.K.INDUST,10	06/88	14.04	15.51	21.05	92.50	112.50	38.00	10.6		8.7		2.0	67	1:1
J.K.SYNTHETIC,10	03/89	38.51	129.12	43.53	67.00	91.00	66.00	4.8	2.0	14.0	22.0	3.3	83	1:3
JAYANT VITAMIN,10	06/88	3.87	5.11	23.20	35.50	62.00	35.00	4.8		7.4	21.0	5.9	87	2:5
KALYANI BRAKES,10	06/88	3.90	-4.84	-2.41	35.00	42.00	26.00	1.3	0.6	26.9				
KALYANI STEEL,10	08/88	1.13	11.41	110.97	250.00	325.00	232.50	31.9		7.8	85.0	3.4	88	1:1
KELVINATOR,10	06/89	3.55	25.48	81.77	150.00	202.50	110.00	18.3	9.3	8.2		1.3	84	1:1
KESORAM,10	03/88	8.85	52.23	69.02	46.00	71.00	39.00	3.4	0.7	13.5	23.5	5.1	79	1:2
KHODAY DIST,10	06/87	6.00	8.88	24.80	37.00	56.25	29.00	3.1	2.2	11.9	20.0	5.4		
KINETIC ENGG,10	03/89	2.40	19.47	91.12	133.75	198.75	132.50	6.8		19.7	30.0	2.2	89	1:1
KINETIC HONDA,10	03/89	9.99	3.34	13.34	27.00	38.75	24.00	1.2		22.5				
KIRL CUMMINS,10	03/89	26.40	41.95	25.89	68.50	100.00	55.00	2.7		25.4	11.2	1.6	86	1:1
KIRL PNEUMATIC,10	03/89	3.85	11.28	39.30	69.00	72.50	45.00	12.5		5.5	22.5	3.3		
KIRLOSKAR OIL,10	03/89	6.71	13.16	29.61	38.00	67.50	29.00	4.5		8.4	10.0	2.6	76	3:7
KLOCKNER WIND,10	03/89	4.50	7.50	26.67	146.25	150.00	90.00	9.4	6.5	15.6	24.0	1.6	88	1:2
KSB PUMPS,10	12/88	8.70	7.63	18.77	195.00	212.50	153.25	12.3	6.3	15.9	20.0	1.0	89	1:1
LAKME,10	03/89	2.10	7.48	45.62	122.50	142.50	85.00	6.9	4.1	17.8	22.5	1.8	89	1:2
LARSEN TOUBRO,10	03/89	60.75	294.16	58.42	104.00	136.50	82.50	6.0		17.3	30.0	2.9	86	3:5
LIPTON,10	12/88	15.75	15.17	19.63	89.00	94.00	65.00	7.7	3.1	11.6	33.0	3.7		
LLOYD STEEL,10	03/88	3.38	4.24	22.54	83.00	102.50	18.00	2.5	2.2	33.2	22.0	2.7	89	1:2
LML,10	03/89	21.05	9.07	14.31	16.75	26.50	13.00	0.2	0.6	83.8			80	4:5
MACNEIL MAGOR,10	06/86	2.74	41.38	161.02	67.00	93.50	43.50	2.3		29.1	7.0	1.0		
MADRAS CEMENT,100	12/87	3.02	18.65	717.55	450.00	820.00	400.00	-153.3	-79.5					
MADURA COATES,10	06/88	21.96	92.32	52.04	101.00	107.00	90.00	6.5		15.5	30.0	3.0	86	1:2
MAFATLAL FINE,100	03/89	14.48	23.69	263.60	250.00	375.00	202.50	9.0		27.8	10.0	4.0	80	1:3
MAFATLAL IND,100	03/89	16.20	51.29	416.60	277.50	335.00	220.00	9.6	5.1	28.9	20.0	7.2	78	1:5
MAHIN & MAHIN,10	10/87	19.26	102.06	62.99	95.50	122.00	73.50	5.5	2.3	17.4	22.0	2.3	84	2:3
MAHINDRA NISSAN	06/87	16.54	0.15	10.09	10.00	14.00	8.00	-2.2	-2.5					
MAHINDRA UGINE,10	03/89	11.50	24.57	31.37	84.00	92.00	46.70	6.6		12.7	16.5	2.0	88	1:2
MANGALAM CEM,10	03/89	7.11	11.53	26.22	22.00	30.50	19.00	2.0	0.3	11.0	18.0	8.2		
MANGALORE CHEM,10	03/88	18.99	13.98	17.36	23.50	55.65	17.50	-0.6	-0.1	230.0		4.3		
MASTERSHARE,10	06/89	225.00	280.60	22.47	16.00	21.50	12.17	8.3		1.9	18.0	11.2		
MATHER PLATT,10	03/89	10.24	8.12	17.93	46.50	80.00	41.00	3.2		14.5	16.0	3.4	87	3:5
MAX INDIA,10	09/88	2.79	1.78	16.38	76.00	92.00	51.00	5.0		15.2	20.0	2.6		
MAY & BAKER,10	03/89	4.50	10.47	33.27	64.00	85.00	51.00	7.0		9.1	25.0	3.9		
MAZDA INDUST,10	11/88	4.32	2.64	16.11	9.50	20.00	7.00	2.3		4.1	12.7	13.4		
MCDOWELL,10	03/89	7.68	25.89	43.71	76.25	107.50	70.00	1.5		50.8	20.0	2.6	86	1:1
MCLEOD RUSSEL,10	06/88	6.25	22.38	45.81	133.75	147.50	82.00	12.9	5.2	10.4	45.0	3.4	87	1:1
METAL BOX,10	03/87	14.68	-12.54	1.46	8.00	10.20	5.20	-4.0	-5.0				67	1:2
MILES INDIA,10	03/89	0.64	1.78	37.81	120.00	130.60	68.75	17.7	4.8	6.8	30.0	2.5	89	1:1
MILKFOOD,10	12/87	1.14	4.49	49.39	210.00	300.00	185.00	8.9	12.4	23.6	25.0	1.2	87	1:1
MODI INDUSTRIES,10	09/87	3.13	23.65	85.56	19.00	47.50	17.00	-11.9	-13.7		6.0	3.2	69	1:5
MODI RUBBER,10	03/89	10.38	52.50	60.58	79.00	120.00	72.50	13.0	9.5	6.1	25.0	3.2	84	2:5
MODI XEROX,10	03/89	17.46	6.50	13.72	56.00	73.00	33.00	2.9		19.3	15.0	2.7		
MOTOR INDUST,100	12/88	38.05	56.44	248.33	660.00	700.00	565.00	38.0	19.4	17.4	14.0	2.1	86	1:1
MRF,10	03/89	3.86	44.85	126.19	315.00	460.00	85.00	43.4		7.3	90.0	2.9	75	1:2
MUKAND IRON,10	03/89	14.74	80.22	64.42	136.00	139.00	72.70	15.8		8.6	20.0	1.5	88	1:2
MYSORE CEMENT,10	06/87	18.22	22.61	22.41	19.00	28.00	18.00	1.1	1.2	17.3	17.5	9.2	85	2:5
NAGAR FINANCE,10	03/89	2.44	3.76	25.41	13.00	16.50	6.00	5.2		2.5	35.0	26.9		
NATION PEROXIDE 100	03/88	2.30	9.02	492.17	920.00	1325.00	675.00	77.8		11.8	30.0	3.3		
NATIONAL RADIO,100	12/87	6.62	2.77	141.84	230.00	360.00	115.00	10.6	3.5	21.7				
NIRLON 10	03/89	15.76	-23.74	-5.06	12.50	17.00	8.50	-21.5					82	1:2
NOCIL 100	03/89	36.00	82.01	327.81	1090.00	1140.00	730.00	90.5	57.9	12.0	40.0	3.7	86	1:2
ORISSA CEMENT,10	12/87	5.40	31.50	68.33	33.00	37.00	33.00	7.3	0.5	4.5	20.0	6.1	87	1:1
ORKAY,10	03/88	49.64	54.77	21.03	16.50	44.00	14.25	1.4	1.1	11.8	21.0	12.7		
OSWAL AGRO,10	06/87	28.52	81.67	38.64	85.00	122.00	67.00	2.8		30.4	50.0	5.9	87	3:5
OSWAL FURANE 10	12/87	18.00	0.00	10.00	38.00	95.00	38.00		0.3					
OTIS ELEVATORS 10	03/89	5.04	15.02	39.80	175.00	220.00	170.00	11.0	7.5	15.9	40.0	2.3	85	1:1
PARKE DAVIS,10	03/89	7.53	4.08	15.42	74.00	87.50	38.00	4.1		18.0	35.0	4.7	78	3:5

Company Face value	Year Ended	Equity Rs Cr	Reserves Rs Cr	Book value Rs	Price 20.10.89	52 weeks		EPS in Rs		PE Times	Dividend %	Yield %	Bonus	
						High	Low	Year	Half-yr				Year	Ratio
PEICO,10	03/89	33.32	36.59	20.98	22.50	37.00	16.50	-5.1	-3.9	15.8	10.0	4.4	82	1:5
PFIZER,10	11/88	11.72	15.67	23.37	73.00	88.00	58.00	1.5		48.7	15.0	2.1	77	4:5
POLYCHEM,10	03/89	6.00	11.90	29.83	60.00	72.60	55.80	14.7	7.6	4.1	25.0	4.2	89	2:3
POLYOLEFINS,100	03/89	19.30	45.02	333.26	1250.00	1250.00	830.00	112.4	67.3	11.1	28.0	2.2	88	1.2
PONDS,10	12/88	6.68	15.33	32.95	175.00	210.00	153.75	6.8	4.6	26.5	20.0	1.1	87	1:1
PREMIER AUTO,10	06/89	17.67	112.26	73.53	62.00	66.25	40.50	7.7		8.1	45.0	7.3	86	1:1
PROCTER & GAM,10	06/89	6.68	11.68	27.49	185.00	241.70	175.00	9.4	3.4	19.7	30.0	1.6	88	4:5
PSI DATA,10	03/89	1.38	-5.27	-28.19	13.50	23.00	5.00	-6.3		8.6		11.0		
RALLIS,10	03/89	9.52	33.44	45.13	97.50	150.00	95.00	9.2		10.6	25.0	2.6	77	3:1
RANBAXY,10	03/89	5.22	16.22	41.07	87.50	132.50	72.50	8.4		10.4	27.5	3.1	88	2:5
RAYMONDS,10	03/89	22.47	67.19	39.90	66.25	84.50	60.00	9.6		6.9	20.0	3.0	87	1:1
RECKITT COLMAN,10	12/88	8.40	17.83	31.23	185.00	210.00	130.00	8.0	4.8	23.1		1.7	88	1:1
REGENCY CERAMIC,10	06/88	3.99	0.25	10.63	17.50	21.00	10.00	-2.7						
RELIANCE,10	03/89	152.11	913.40	70.05	95.00	190.00	95.00	6.5	3.2	14.6	30.0	3.2	83	3:5
RELIANCE PETRO	03/89	86.47	0.48	10.06	39.50	55.00	38.00	0.6		65.8	18.0	4.6		
REMINGTON,10	03/88	2.67	4.34	26.25	61.00	75.00	30.00	4.1	1.2	14.9	20.0	3.3	86	1:2
REVATHI C.P,10	06/89	1.60	3.68	33.00	77.50	140.00	67.00	5.5		14.1	20.0	2.6	87	1:1
ROCHE PRODUCTS,10	12/88	4.81	6.23	22.95	84.00	85.00	53.75	3.3	1.9	25.5	15.0	1.8	80	1:3
ROSS MURARKA,10	12/88	4.64	3.29	17.09	15.25	20.00	6.50	3.1	3.4	4.9	18.0	11.8		
S.I.VISCOSE,100	03/89	11.03	21.19	292.11	900.00	960.00	525.00	116.9	71.6	7.7	35.0	3.9	87	1:2
SAMTEL INDIA,10	03/89	3.65	11.06	40.30	52.00	112.50	52.00	8.8		5.9	25.0	4.8	88	1:3
SANDOZ,10	12/87	5.30	19.68	47.13	132.50	132.50	75.00	3.0	4.1	44.2	16.0	1.2	84	2:7
SANDVIK ASIA,100	12/88	5.78	7.54	230.45	630.00	775.00	610.00	40.6	12.5	15.5	25.0	4.0	84	1:1
SCINDIA,20	06/87	18.95	3.79	24.00	7.25	12.50	6.00	-30.9					77	2:5
SEARLE,10	03/89	5.21	14.55	37.93	110.00	170.00	90.00	4.3	1.2	25.6	21.0	1.9	88	1:2
SESA GOA,10	03/89	5.15	9.80	29.03	68.00	68.00	26.00	2.1		32.4	14.0	2.1	86	2:5
SHAW WALLACE,10	03/89	12.00	27.76	33.13	87.00	102.00	65.00	9.8	5.2	8.9	30.0	3.4	87	1:1
SHRIRAM FIBRES,10	09/87	10.33	22.69	31.97	56.00	94.00	12.00	2.7		20.7	20.0	3.6	82	1:2
SIEMENS,10	09/88	20.77	58.30	38.07	74.00	114.00	52.50	3.3	1.2	22.4	16.0	2.2	86	1:4
SILTAP CHEMICAL,10	03/88	1.80	-0.76	5.78	58.75	75.00	45.00	-4.2						
SIPTA COATED,10	03/89	9.35	11.53	22.33	21.00	27.00	15.00	1.3		16.2	17.0	8.1		
SKF BEARINGS,100	03/89	24.70	35.39	243.28	1260.00	1510.00	950.00	68.0	33.9	18.5	30.0	2.4	89	1:1
SOUTHERN PETRO,10	03/89	34.00	274.92	90.86	43.50	68.00	39.00	4.1	11.3	10.6	20.0	4.6	86	1.1
SPARTEK,10	03/89	2.85	7.62	36.74	110.00	130.00	71.25	10.0		11.0	25.0	2.3	89	3.5
SPECIAL STEEL,100	03/89	17.09	14.36	184.03	1050.00	1200.00	468.00	157.5	67.3	6.7	40.0	3.8	89	1:2
STANDARD IND, 100	03/89	11.06	37.68	440.69	450.00	475.00	215.00	51.3		8.8	20.0	4.4	82	2:5
STANDARD MOTOR,10	03/88	4.37	3.98	19.11	9.50	11.85	8.00	-18.1				15.8	85	1:1
STRAW PRODUCTS,10	12/87	10.14	73.61	82.59	83.25	83.00	43.00	4.0	1.3	20.8	20.0	2.4	72	1:2
SU-RAJ DIAMOND,10	03/89	4.77	9.72	30.38	68.00	108.75	55.00	14.4	6.5	4.7	20.0	2.9		
SUND CLAYTON,10	05/88	9.48	23.99	35.31	65.00	68.00	44.00	9.9		6.6	25.0	3.8	87	2:3
SUND FASTENERS,10	03/89	5.10	9.80	29.22	77.00	77.00	41.50	6.6	3.9	11.7	25.0	3.2	88	3:5
SUND FINANCE,10	03/89	6.00	16.22	37.03	63.50	74.00	39.50	10.9	4.3	5.8	30.0	4.7	86	1:1
SUPREME INDUST,10	06/89	1.80	6.48	46.00	222.50	260.00	190.00	19.1		11.6	45.0	2.0	87	1:1
SWAD POLYTEX,10	03/89	3.90	11.77	40.18	34.00	57.50	28.00	8.9	3.7	3.8		8.8		
SYNTH & CHEM,10	03/89	5.81	9.75	26.78	63.50	72.00	45.00	10.9	2.3	5.8	25.0	3.9		
TATA CHEMICALS,10	03/89	44.50	192.06	53.16	116.00	127.50	101.00	8.0	4.6	14.5	35.0	3.0	85	2:5
TATA LOCO,100	03/89	103.67	308.74	397.81	1070.00	1072.50	670.00	67.6	6.8	15.8	25.0	2.3	82	2:5
TATA OIL,25	03/89	8.11	21.45	91.12	70.00	77.50	55.00	6.6		10.6	15.0	5.4	81	1:5
TATA POWER,100	03/88	21.22	68.24	421.58	370.00	447.50	310.00	89.1	60.8	4.2	16.0	4.3	75	1:5
TATA PRESS,10	03/89	1.57	6.34	50.38	62.00	65.00	45.00	5.3	3.2	11.7	22.0	3.5		
TATA STEEL,100	03/89	156.09	645.53	513.56	1238.75	1542.50	962.50	98.9		12.5	30.0	2.4	86	2:5
TATA TEA 10	03/89	17.10	78.79	56.08	187.00	201.50	88.75	8.0		23.4	50.0	2.7	88	3:5
TATA UNISYS,10	03/89	4.38	4.92	21.23	70.00	102.50	67.50	5.8	2.2	12.1	27.5	3.9	87	2:5
TEXMACO,10	03/89	1.87	11.06	69.14	53.00	68.00	30.50	-48.0						
TINPLATE,10	03/89	10.14	11.11	20.96	35.00	42.00	21.00	4.3		8.1	15.0	4.3		
TUBE INVESTMENT,10	12/87	5.73	28.62	59.95	63.00	73.75	27.50	7.0	4.2	9.0	20.0	3.2	85	1:3
TUTICO ALKALIES,10	03/89	12.94	-2.63	7.97	13.50	19.00	11.00	1.8		7.5	60.0	44.4		
TVS SUZUKI,10	03/89	23.10	-5.50	7.62	14.00	26.00	12.00	1.3		10.8				
TWENT.CENT,10	03/89	8.88	10.36	21.67	23.25	26.50	14.00	4.0	2.1	5.8	22.0	9.5	88	2:5
UNION CARBIDE,10	03/89	32.58	38.04	21.68	23.00	29.00	18.00	1.7		13.5	12.0	5.2	80	1:2
UNIT BREWERIES,10	06/88	4.00	9.53	33.82	58.50	70.50	36.50	7.1		8.2	20.0	3.4	86	1:1
UNIT PHOSPHORUS,10	12/87	2.80	2.66	19.50	52.50	69.00	37.00	0.4	-1.1	131.2	10.0	1.9		
UPCOM CABLES,10	03/89	5.92	1.88	13.18	51.00	53.75	32.00	4.3		11.9	20.0	3.9		
VAM ORGANIC,10	03/89	5.16	20.35	49.44	160.00	177.00	119.00	20.2	10.7	7.9	35.0	2.2		
VARELI,10	03/88	7.29	13.49	28.50	23.75	40.00	21.25	5.7	0.7	4.2	22.0	9.3		
VIDEOCON INT,10	03/89	2.75	6.91	35.13	185.00	185.00	45.00	23.0		8.0	40.0	2.2		
VINDHYA TELE,10	03/89	3.90	9.26	33.74	130.00	142.50	107.50	17.1	7.6	7.6	22.5	1.7		
VOLTAS 100	03/89	13.23	34.84	363.34	900.00	990.00	410.00	111.8		8.1	14.0	1.6	89	1:2
VST INDUSTRIES,10	03/89	6.03	13.81	32.90	35.00	35.00	12.00	5.3	2.3	6.6	50.0	14.3	89	3:5
WAL NAGAR,100	09/88	3.00	2.46	182.00	19.00	27.50	10.00	2.0		9.5			82	1:2
WARREN TEA,10	03/88	3.90	11.49	39.46	136.25	150.00	61.25	8.9		15.3	30.0	2.2	86	1:5
WIMCO,10	12/87	12.67	5.34	14.21	23.50	31.50	15.50	-5.8	4.6				70	1:5
ZENITH,10	12/88	9.15	17.20	28.80	50.00	79.00	50.00	5.2	2.3	9.6	30.0	6.0	87	1:4
Z F STEERING 10	03/89	2.25	1.02	14.53	48.00	77.50	48.00	2.6		18.5	10.0	2.1		
ZUARI,10	03/89	12.43	57.09	55.93	74.00	87.50	57.50	7.8		9.5	35.0	4.7		

Note: EPS: This represents the earnings after tax for the full year divided by the number of shares outstanding. EPS half year: after tax earnings per shares for six months taking into account announced half yearly profits. PE: ratio of market price to after tax per share. Yield: dividend as a percentage of market price

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DEBENTURES

Company	Face Value	Market lot	Type	Rate %	Size Rs lacs	Price Rs	Date	Yield %	Interest due date	Redemption date	Book closure
ASEA	100	10	NCD	13.5	252.0	85.00	06/09/89	15.88	30.6,31.12	17/9/93	16/6/89
ASHOK LEY.A	64	5	NCD	13.5	521.0	53.00	19/09/89	16.30	31.3,30.9	3/4/96	16/9/89
ASHOK LEY.B	64	5	NCD	13.5	1043.0	53.00	19/09/89	16.30	31.3,30.9	3/4/96	16/9/89
ASHOK LEY.C	100	5	NCD	15.0	815.0	97.50	19/09/89	15.38	31.3,30.9	3/4/91	16/9/89
ATASH IND	75	10	CD	15.0	300.0	65.00	16/10/89	17.31	31.1,31.7	17/3/94	21/7/89
BATLIBOI	100	25	NCD	15.0	510.0	89.00	18/10/89	16.85	30.4,31.10	11/4/93	3/10/89
BIRLA JUTE	200	5	NCD	13.5	999.0	170.00	22/06/89	15.88	30.9,31.3	7/2/96	13/9/89
BLUE BLEND	200	10	NCD	13.5	625.0	162.50	18/10/89	16.62	31.1,30.6	4/11/96	1/6/89
CONT. CONST.	100	10	NCD	15.0	1750.0	82.50	20/10/89	18.18	1.1,1.7	4/10/95	21/6/89
DR REDDY'S	100	10	CD	15.0	163.0	90.00	18/10/89	16.67	30.6,31.12	4/6/96	27/6/89
DUNLOP	150	5	NCD	13.5	120.0	135.00	08/09/89	15.00	15.7,15.1	30/6/89	1/7/89
E.I.HOTELS	50	10	NCD	13.5	1566.0	40.00	17/10/89	16.88	10.4,10.10	10/4/94	1/12/88
ELECON ENG	45	5	NCD	13.5	247.0	39.00	29/09/89	15.58	30.6,31.12	12/3/94	1/12/88
ESSAR SHIP	75	10	NCD	13.5	100.0	62.00	20/10/89	16.33	31.3,30.9	15/4/94	15/6/89
F.G.P.	100	5	NCD	13.5	168.0	82.50	19/01/89	16.36	31.3,30.9	19/11/92	13/9/89
FERRO ALLOY	190	2	NCD	13.5	750.0	170.00	31/08/89	15.09	30.6,31.12	30/6/91	1/12/88
FORBES	100	10	NCD	13.5	600.0	85.00	20/10/89	15.88	1.4,1.10	2/4/94	1/9/89
GARDEN SILK	100	10	NCD	12.5	300.0	70.00	20/10/89	17.86	31.3,30.9	31/3/97	9/9/89
GRASIM IND	120	5	NCD	13.5	100.0	111.00	20/10/89	14.59	31.3	30/6/97	15/3/89
GUJ ALKALI	140	5	NCD	13.5	700.0	125.00	17/10/89	15.12	28.2,31.8	1/8/93	18/8/89
HIND FERODO	100	5	CD	13.5	206.0	75.00	07/09/89	18.00	30.6,31.12	14/12/92	13/12/88
HOECHST	100	5	NCD	15.0	383.0	100.00	20/10/89	15.00	1.5,1.11	14/9/91	17/10/89
I.T.C.	500	1	NCD	15.0	500.0	500.00	18/10/89	15.00	1.7	30/6/90	16/5/89
IND HOTEL	75	10	NCD	13.5	1123.0	62.50	18/10/89	16.20	1.4,1.10	26/4/92	16/9/89
IND HOTEL	100	10	NCD	12.5	2708.0	83.75	18/10/89	14.93	15.6,15.12	14/6/94	10/5/89
IND RAYON	80	5	NCD	12.0	801.0	52.50	20/10/89	18.29	30.6,31.12	6/4/93	1/6/89
IND RAYON	112	5	NCD	13.5	1668.0	97.50	20/10/89	15.51	30.6	18/2/95	1/6/89
J.K. SYNTH	120	4	NCD	13.5	1875.0	110.00	18/10/89	14.73	1.1,1.7	1/4/92	1/6/89
JINDAL STR	100	10	NCD	15.0	600.0	90.00	20/10/89	16.67	30.6,31.12	14/4/94	23/6/89
KALY STEEL	100	5	NCD	15.0	67.0	105.00	05/12/88	14.29	30.6,31.12	7/6/91	20/6/89
KESORAM	90	5	NCD	13.5	1890.0	70.00	22/08/89	17.36	31.3,30.9	11/3/95	1/9/89
KLOCK WIND	100	10	CD	13.5	138.0	85.00	18/10/89	15.88	31.3,30.9	30/6/93	28/2/89
KOTH FOOD	80	10	CD	15.0	475.0	70.00	28/09/89	17.14	31.3,30.9	30/6/91	1/10/89
L & T RTC	60	5	CD	13.5	360.0	57.50	11/10/89	14.09	1.1,1.7	30/6/90	16/6/89
LAKME	75	10	NCD	13.5	202.3	65.00	18/10/89	15.58	30.6,31.12	9/4/94	1/6/89
LML	115	5	CD	13.5	828.0	80.00	12/01/89	19.41	30.4	30/6/91	16/4/88
LYKA LABS	100	10	NCD	15.0	240.0	87 50	20/10/89	17.14	30.6,31.12	30/6/93	9/6/89
MAY & BAKER	100	5	NCD	15.0	300.0	95.00	18/10/89	15.79	1.4,1.10	9/9/94	15/6/89
MAZDA IND	100	10	NCD	13.5	625.0	66.00	18/10/89	20.45	1.4,1.10	5/4/93	14/9/89
MUKAND	125	5	NCD	13.5	437.0	114.00	06/10/89	14.80	1.1,1.7	30/6/88	12/6/89
PRESTIG FOOD	100	10	CD	13.5	25.0	65.00	18/10/89	20.77	31.12,30.6	30/6/92	15/6/89
RAYMOND WOOL	320	1	CD	12.0	480.0	290.00	08/09/89	13.24	31.3,30.9	30/6/89	26/9/89
RAYMOND WOOL	400	1	NCD	13.5	1920.0	350.00	18/10/89	15.43	31.10	30/10/92	26/9/89
REL F CUM	100	10	NCD	15.0	3000.0	155.00	20/10/89	9.68		30/9/95	25/7/89
RELIANCE E	100	5	NCD	13.5	5335.0	75.50	20/10/89	17.88	30.4	30/6/97	28/3/89
RELIANCE F	100	10	NCD	15.0	27000.0	90.00	20/10/89	16.67	20.2,31.8	30/9/95	25/7/89
REL.PETRO B	40	10	CD	12.5	1045.0	36.00	20/10/89	13.89	31.5,30.11		20/4/89
REL.PETRO C	150	10	CD	12.5	3920.0	120.00	20/10/89	15.62	31.5,30.11	30/10/95	20/4/89
SANDOZ	100	10	NCD	13.5	69.0	87.50	04/08/89	15.43	30.6,31.12	24/4/95	17/6/89
STEELAGE	100	10	NCD	13.5	132.0	77.00	16/10/89	17.53	1.5,1.11	30/6/94	12/10/89
TATA PRESS	120	5	NCD	13.5	195.0	105.00	17/05/89	15.43	31.3,30.9	11/11/96	12/9/89
TATA STEEL	200	5	NCD	13.5	2011.0	190.00	16/10/89	14.21	1.4,1.10	1/3/92	11/9/89
TATA UNISYS	100	10	CD	12.0	250.0	80.00	20/10/89	15.00	1.1,1.7	30/6/98	13/6/89
TITAN WATCH	200	10	NCD	13.5	1312.0	169.00	20/10/89	15.98	15.6,31.12	5/3/97	21/11/89
TRANSPORT CO	100	10	NCD	15.0	400.0	72.50	04/10/89	20.69	31.3,30.9	30/6/93	12/9/89
TTK PHARM	100	10	NCD	15.0	143.0	87.50	12/10/89	17.14	30.5,30.11	1/3/92	16/5/89
TWENT CENT	100	5	NCD	13.5	300.0	85.00	17/08/89	15.88	30.4,31.10	23/8/90	12/10/89
UNITECH	100	15	NCD	15.0	264.0	80.00	18/10/89	18.75	30.6,31.12	25/4/94	13/12/88
UNIV LUGGAGE	100	10	NCD	15.0	144.0	72.50	17/10/89	20.69	1.6,1.12	26/3/96	8/11/89
USHA MARTIN	100	5	NCD	13.5	934.0	75.00	18/10/89	18.00	31.3,30.9	29/10/95	1/9/89
V.I.P. IND	100	10	NCD	15.0	960.0	80.00	20/10/89	18.75	31.1,31.7	22/4/93	29/6/89
VARELI TEXT	100	10	NCD	15.0	862.0	70.00	20/10/89	21.43	31.3,30.9	30/6/93	9/9/89
VARUN SHIP	100	10	NCD	15.0	175.0	82.50	18/10/89	18.18	31.5,30.11	20/8/93	16/5/89
VOLTAS	300	1	NCD	15.0	900.0	290.00	04/04/89	15.52	28.2,31.8	1/3/91	1/6/89
VOLTAS	150	2	CD	13.5	300.0	132.50	18/10/89	15.28	30.6,31.12	30/6/91	1/6/89
W.I.ENTER	100	5	CD	15.0	615.0	85.00	18/10/89	17.65	1.10,1.4	12/6/95	16/9/89
ZENITH	90	10	NCD	13.5	480.0	77.00	20/10/89	15.78	1.5,1.11	20/7/92	20/9/89

Note: CD: convertible debenture; NCD: non-convertible debenture including debentures that were earlier partially convertible for which the conversion is over.

Debenture yield is calculated as a percentage of market price without adjusting interest due component. This can make a significant difference in actual return.

The fact that the debenture market is generally active can be surmised from the dates of last business done. Hence readers are advised to seek suitable professional advice before deciding.

All care is taken to ensure accurate and up-to-date information.

The lucky six

Given below is a new list of six scrips, and their closing prices on 19 October 1989. Pick the share that you think will rise the most, in percentage terms by 17 November 1989 and rank it number one. Then choose the one that you expect will rise the second most and rank it number two. Then number three, and so on till rank six. It's as simple as that!

So, in the new Investor Contest you don't have to predict the price of shares; you merely have to rank the performance (in percentage terms) on the basis of the prices you expect each to reach on 17 November 1989. You don't have to tell us either the prices or even the percentage changes you expect — only fill in the ranks from one to six.

Please note that if you assign the same rank to two scrips, then the following one should be ranked the next consecutive number. For example, if you rank two shares at number three, the next will be number four (in which case, of course your last rank will be five).

For the contest under review (IC 303), we have six winners who share the prize money of Rs.5,000 equally. The following are the winners: R.A.D. Pinto, Shyamaprasad M.H. (both of Bombay), Venkatesh Yeachuri (Visakhapatnam), Ashu Vimal (New Delhi), Manish Gupta (Kanpur) and Rajesh Kumar (Surat).

Rules:

1. There is no entry fee.

2. The price mentioned last in the official quotation list of the stock exchange will be taken as correct for purposes of calculation. If the stock exchange remains closed on the stated last day, the closing price on the prior day will be used.

3. Entries must be on the printed form given below. Any other entries will be disqualified.

4. Only one entry will be permitted per form.

5. Envelopes sent in should be marked Investor Contest. All entries should be sent to: Investor Contest, **Business India**, Wadia Building, 17/19 Dalal Street, Bombay 400 001, by 5 pm, 10 November 1989.

6. **Business India's** decision on the winning entries is final and binding, and no correspondence in this regard will be entertained.

7. The contest is open only to residents of India. No employee (or any direct relation of an employee) of the **Business India group of publications** is entitled to enter the contest.

8. The prize of Rs.5,000 will not be carried forward if there is no winner. In the event that there is more than one winner, the prize will be shared equally.

Name of scrip	**Prices as on Thursday 19 October 1989 (Rs.)**	**Rank as on Friday 17, November 1989 (please fill in number)**
Asian Paints	212.50	
Bihar Sponge	17.25	
ITC	66.00	
L&T	109.50	
Tata Tea	189.00	
Videocon	177.50	

Name: ____________________

____

Address: ____________________

____

____

Age: ____________________

Profession: ____________________

Date: ____________________

IC304

Aplab

Speech delivered by Mr. M.G. Bhat, Chairman, Applied Electronics Limited at the 24th Annual General Meeting of the Company, held on September 28, 1989.

Ladies & Gentlemen,

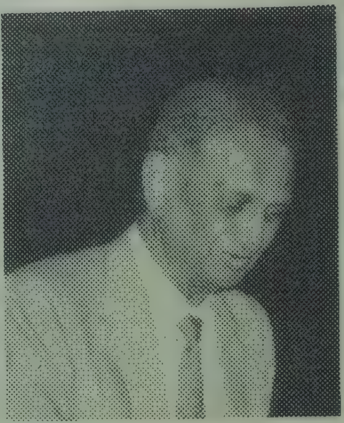
On behalf of my colleagues on the Board and on my behalf, I have great pleasure in extending to you a warm welcome to the twenty fourth Annual General Meeting of your Company.

On the change over to the uniform financial year, the results contained in the Annual Report of your Company — APLAB — relate to 18 months period ending 31st March, 1989. The Annual Report containing the Directors' Report, the Auditors' Report and the financial statements for the period ended 31st March, 1989 have been with you for some time now. I am sure you have had the opportunity of perusing them.

Friends, the Chairman is expected to comment on your Company's performance and share with you his vision of what the future beholds for the Company. But before I do that, let me take you through the current state of the Professional Electronics Industry (as against consumer electronics), especially in India. Unless you appreciate this, your Company's performance and prospects would not, in my opinion,be judged in the right perspective.

Electronics Industry has grown by leaps and bounds during the past decade. Test & Measuring instruments and power systems (the fields in which your Company mainly operates) are but a tiny part of the enormous Electronics Industry. Certain select sectors within the industry, viz. the computer and Industrial control systems, the consumer and domestic appliances, the entertainment electronics and the telecommunications have become so huge that, together they dwarf the professional electronics segments which deal with some aspects of testing, measurement, control and special purpose power systems. Even in these segments, we in India have to face rising competition from powerful, world-renowned giants such as Philips, Hewlett-Packard, Tektronix, Plessey and many others. On the one hand, the customer demands the best products that electronics can offer in the world; on the other, in our country, we lack even the basic component-making facilities such as ICs, magnets, exotic alloys, various forms of plastics and sophisticated tool rooms.

Little wonder, therefore, that the Indian Industry cannot make a complex consumer product, say a VCR, which can be called world class. High grade professional components it needs — in enormous numbers — with consistent quality,are not made in India. Even the manufacturing technologies with quality assurance procedures which assure zero-defect products are unknown in India. In these product lines Europe and the U.S. also find it difficult! Shall we ever catch up with the world? Yes, perhaps superficially, as one might tend to believe from various advertisements in local press for the consumer durables like Washing Machines, VCRs etc.



The foreign brand and foreign collaboration fever amongst the Indian industrialists which hit the consumer electronics industry first, now seems to have gripped our professional electronics segment. Many industrial groups, who have been traditionally acting as trading representatives, believe that the safest way to succeed in the market is to tie up with their principals or to hook a reputed foreign brand. Very few of them possess even a preliminary expertise in the area of technology and a few have access to an established marketing set up in the field. They rush to import technology without knowing that the worst way to acquire technology is to buy it because foreign manufacturer will rarely give the latest. Policy of our Government which allows importers of technology to import SKD and CKD kits under Phased Manufacturing Schemes enables these industries to just assemble a product with may be a screw driver and sell. This only denudes us of valuable foreign exchange and puts power and profits in the hands of technologically naive but financially shrewd adventurers.

I wonder how they will cope up or withstand the obsolescence of the bought-out technologies. Probably they can continue kit import for new models. But this all is going to be at tremendous cost to the nation and of course the consumer. It will also kill local technical enterprise and deny any motivation and reward to our engineers and scientists.

Contrast the above scenario with what we have been doing at APLAB. So far, APLAB has proceeded on its own hard-earned know-how, pitched itself in foreign markets to gain access to the state-of-the-art and getting into a position from where it can occasionally exchange with specialist companies in Europe and U.S. This eliminates need to pay huge know-how fees. Credit for this goes to our active R&D Division and enlightened technicians and engineers. Although much of APLAB's R&D involves and concerns itself with improving our regular products and keep us abreast with what is contemporary in the world, we have succeeded in developing new products. For example, with sustained efforts for over last two years, we have developed a Card Operated Telephone System known as Public Call Office (PCO) which greatly facilitates local, inter-city and inter-continental telephone communication with minimum expenditure and maximum ease. These PCOs have several features which are unique and we designed it to exceed the current international state-of-the-art. Our product is also the lowest priced product in the world. It would, however, need full cooperation of the Government telephone authorities before it is put to public use. The PCO has been tested under working conditions for the last over one year at some of the busiest telephone exchanges at Delhi and Bombay. We sincerely hope that, with the visible change in the attitude in the Telecommunication Department to back up well-designed products from India, your Company may get the opportunity to participate in improving Indian public telephones and be of service to the nation.

You hear so much talk about India's precarious position regarding foreign exchange reserves and there is always talk of boosting exports. The professional electronic segment in India is characterised by low volumes. Therefore, exploring new export markets has been discussed and deliberated at so many forums that I need not go into what are the factors that need to be remedied for increasing exports. But I would only say what has been done by the Government and achieved by the industry so far is negligible in terms of potential. Be that as it may, at our level APLAB has been making certain professional electronic instruments and selling them to the highly advanced markets of USA and Western Europe. We do this mainly to pit ourselves against the tough international competition by multinational giants from Japan, Germany and U.S. It is a fact that we do not earn much profits in the process, but the exposure to the real world of international competition trains our engineers to a high degree of professional skills and gives us the necessary edge to be in the forefront of technology amongst the Indian manufacturers. We consider such international exposure to be our most valuable asset. I must however mention that the recent Government actions of arbitrarily changing cash assistance rates will hurt our export efforts beyond repair. Stable policy in this regard is a must to win international trust and to keep prices stable.

Friends, amidst not-so-bright environment for the electronic industry in general as observed in the earlier part of my speech, I believe that APLAB, with its solid technological and R&D base and its quality culture, will be one of the few organisations which will survive in the long run. My belief is even more strengthened when I look at the prestigious awards and acclaim received by APLAB products at professional exhibitions in India and abroad.

Whilst concluding, on behalf of my colleagues on the Board and on my behalf, I convey our gratitude for the confidence you have reposed in us. I sincerely hope that you will continue to extend your whole-hearted support in the future as well, to enable us to continue to meet challenges and to take your Company to new heights.

I now conclude by thanking you all for giving me a patient hearing.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

Regd. Office: A-5 Wagle Industrial Estate,
Thane 400 604

GJA:2342

Calcutta's new pride

On Belvedere Road, one of Calcutta's most prestigious thoroughfares, one can hardly miss the imposing and spanking new structure that has come up in recent months. Close to the historic National Library, official residence of the viceroy of the Raj days, and opposite the Calcutta zoo, the biggest zoological garden in the country, Taj Bengal, the latest addition to the Taj chain of over 40 hotels, has just thrown its gates open to regular business. 34 Belvedere Road, Alipore, will now be an important address not only in Calcutta but in the whole eastern region.

The Taj Bengal, whose construction had been stopped by environmental litigation over its location, finally made its debut in Calcutta on 26 October. The first visitors are the players and other members of the India and Pakistan cricket teams who have a fixture on 30 October and 1 November in Calcutta's Ranjit Stadium for the ongoing Nehru Cup tournament.

Distinctive features

Built at a cost of over Rs.35 crore, Taj Bengal has been designed by Robert Fox, an architect of international repute who has the designs of a number of hotels in Europe and America to his credit. Taj Bengal's lobby, banquet halls, restaurants, swimming pool, shopping arcade — all have their own distinctive features. Enthuses Rajiv Gujral, area general manager of Taj Bengal, "Our atrium lobby is distinctive from others with its stained glass, sunlit sky and innumerable plants all over."

Early visitors to the hotel, it is claimed, have remarked upon its architectural designing, interior decoration and even on the selection of trees in the premises.

"We have got more than 120,000 trees from all over the world for the hotel," says Jyoti Narang, the hotel's young sales and marketing manager. And there is evidence of this all around: palm trees dot the lobby, along with a myriad other plants, while all the hotel's corridors are also lined with an abundance of greenery. The terracota statuettes and objets d'art — the local art of the Bankura district of West Bengal — add their own glamour. The swimming pool of the hotel too has a special type of lighting arrangement. "We have fitted jet-bell lights on the floor of the pool and in the surrounding area," Gujral explains.

Among the services offered by Taj Bengal are business centres with office rooms, conference rooms, personal computers, facsimile machines, word processors etc, as also a health club, beauty saloon, shopping arcade, free safe deposit locker facility and so on. The hotel's management plans to open a night club too in the near future.

For Calcutta, the opening of the Taj Bengal was an event. The city's hotel scene has, in general, been dull for many years now. As a veteran in the hotel business in Calcutta says, "It is more than a decade now since there has been any addition to the number of hotel beds in Calcutta." Little wonder, since many international airlines have discontinued services to and from this city. And Calcutta's innumerable infrastructural problems have stood in the way of expansion in business and otherwise.

Other hotels

Over the years, the Oberoi Grand Hotel (which was recently renovated and upgraded fully) has presided over the city's five-star set. Next in the line are the Park Hotel, Hotel Hindustan International and the state government-run Great Eastern. Further down in the list are New Kenilworth, Astor, Litton, etc. And the Ritz Continental has been lying closed for years; while several entrepreneurs have expressed an interest in reviving it, not much has come of it. Now, there is talk that the Welcome Group may take it over, but of that too, there is nothing concrete yet. Besides, the group has apparently given up its plan to set up a hotel in Calcutta.

This being the scenario in which it has come up, there are questions about Taj Bengal's future. "Yes, the hotel is full now, but that can be expected in any hotel's trial period," says a hotelier. "Whether this trend will continue is not yet clear."

Rajiv Gujral is confident that Taj Bengal will corner its share of clientele. "At the moment we are full and that will continue in the coming months too," he says. Gujral is one of those who believe that supply creates its own demand. Also, he draws confidence from the fact that the clientele of Taj hotels in other metros have been demanding for a group hotel in Calcutta for at least ten years. Narang adds, "Our group hotels' clients, who have for long been putting up in other hotels in this city, will now stay with us."

While there is truth in what Gujral and Narang are saying, a hotel cannot stop at merely drawing established clientele. The clientele must grow. In those terms, will Taj Bengal succeed in enticing clients away from Calcutta's other hotels in the coming months?

Hotel Taj Bengal: can it cut into the competition?

Some feel that the Oberoi Grand, being the only other hotel of the same class, faces the greatest threat. Satish Kumar, vice-president of the Grand, however, finds no logic in this. "Like the Taj, we too have clients who will always remain with us." He was not fazed by the excitement generated by the Taj Bengal's launch. "In the past, there was much fanfare when the Park or the Hindustan International opened up here. But, as you can see, they could do no harm to our business."

Kumar firmly believes that the hotels of yesteryear can also be the hotels of tomorrow. He points out that the Grand Hotel has literally grown with Calcutta. "Since Rai Bahadur Oberoi bought over the Grand Hotel in 1938, it has come to be associated with the city itself," he says. And recently, the Oberoi Grand spent nearly Rs.20 crore in an attempt to restore its former glory. Obviously, the keen competition between hotels of the Oberoi and Taj groups in other cities, has finally arrived in Calcutta.

Be that as it may, with Taj Bengal, Calcutta can now pride itself at having a hotel of international class. This is bound to put the city on the international tourism map and give a big fillip to tourism in this part of the country. Undoubtedly, there is a huge tourist market waiting to be tapped. And the Taj group has taken cognisance of this fact, and planning to set up other hotels in this region over the coming years.

■ KAVERI MITTRA

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Highlights

- ▷ An established, profit-making, dividend-paying Company – higher dividend of 25% for the 9-month period ended 31st March, 1989 (33.33% annualised)
- ▷ On-going R&D efforts to introduce new speciality yarn for higher value addition, flexibility and increased productivity
- ▷ Track record of growth and profitability – annualised increase of 75% in Gross Profit for the year ended 31st March, 1989
- ▷ Investment of Rs.200 crores envisaged in the next three years. In the first phase, a Rs.25 crore Balancing-Cum-Modernisation Programme – under implementation
- ▷ Further plans to increase Polyester Filament Yarn manufacturing capacity and diversification into market-oriented ventures
- ▷ Poised for accelerated growth, productivity and profitability

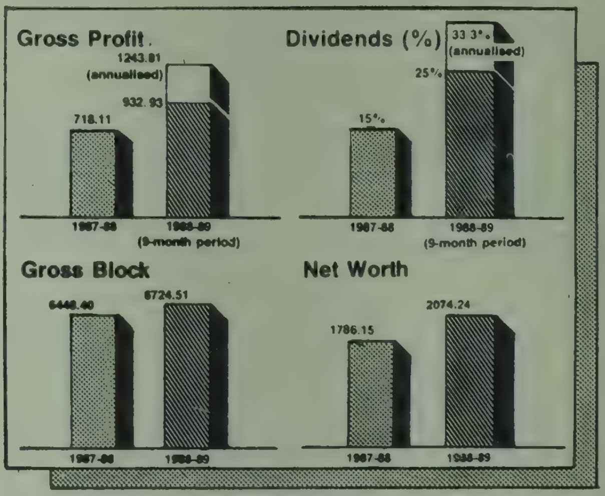
Debenture Features

- ▷ **Face Value** : Rs.50 each
- ▷ **Interest** : 12.5% per annum
- ▷ **Attractive Conversion Terms** : The Debentures comprise of two parts – Part 'A' of Rs.30 and Part 'B' of Rs.20

  Part 'A' of Rs.30 will be converted into one equity share of Rs.10 at a premium of Rs.20, on expiry of 6 months from the date of allotment. Present Market price : Rs.61.00 (Ex-Right on 29.9.89 in Bombay Stock Exchange)

  Part 'B' of Rs.20 is non-convertible and will be redeemed at par in two equal annual instalments on the expiry of the 8th and 9th year from the date of allotment

(Rs. in lacs)



Issue of 37,19,100 12.5% Secured Partly Convertible Debentures of Rs.50 each for cash at par

Managers to the Issue

The Industrial Credit and Investment Corporation of India Limited
Merchant Banking Division
163 Backbay Reclamation
Bombay 400 020

DSP Financial Consultants Ltd
914 Raheja Chambers
213 Nariman Point
Bombay 400 021

Union Bank of India
Merchant Banking Division
Union Bank Bhavan, 4th Floor
239 Vidhan Bhavan Marg
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Well-groomed tactics

Amitava Ray, *44, is MD and CEO, India Foils Ltd*

With the packaging market today more competitive and dynamic than before, India Foils Ltd (IFL), the Calcutta-based packaging company of the Macneill & Magor group, is an ideal work place for its young and dynamic managing director, Amitava Ray. "IFL offers challenges which gives us the scope to expand, innovate and create new markets. For me," he says, "this is just fascinating."

In August 1965, Ray, barely 20 and armed with a bachelor's degree in economics from Presidency College, Calcutta, joined IFL. And for the past 25 years, he has never looked back. This lengthy association has stood him in good stead. It gave him the opportunity to work in different disciplines and various levels — be it marketing technology or industrial relations.

"There was a craze for management degrees in my student days too. I had successfully cleared all the admission tests for the Indian Institute of Management. But I opted for a management traineeship at IFL, since it would give me valuable practical training. And even today, I do not regret my decision," says Ray.

Advance assessment. His all-round marketing experience in the initial years earned him the expertise to make an advanced assessment of the changing conditions. "We diversified into non-foil packaging materials during the same period. Today, this market too is booming. But we could make a timely entry into that segment only because we bought over the Taratolla unit of Metal Box on time," Ray says. IFL had acquired the Taratolla unit in end-1987.

Over the years, Ray has learnt the secrets for consolidating IFL's market share. "The packaging market is highly competitive and we face several new rivals," he says, "yet we maintain our position as the market leader with a share of 57-58 per cent." Also, Ray's able guidance has helped to double the company's turnover in the last three years. From a sales turnover of Rs.55 crore in 1986-87, the year when Ray took over as managing director, the sales for the 15-month ended 1989, crossed Rs.120 crore.

A firm believer in the theory of amalgamating ideas and book knowledge, Amitava took keen interest in disciplines other than marketing. For a wider understanding of the technologies involved in IFL's operations, he has spent long hours in IFL's factories in India and in their collaborator, Alcan's factories worldwide.

Ultimately, he has achieved a confidence to run an engineering company, without the formal engineering degree. He is also a member of the eastern regional council and of various committees set up by the Confederation of Engineering Industries (CEI).

An area that interests Ray a lot is industrial relations. Here too, his policy of integrating ideas works well. He believes in involving, down the line, all those concerned, in major decision-making. And, notably, though IFL has had a very bad track record in this area, his tenure as MD has been clear of labour trouble.

Ray is obviously a manager with a difference. To him, the logic behind job-hopping makes little sense. Says he, "I understand that some people like change. But the whole purpose of taking a job becomes pointless, if they leave before contributing to that concern." And contribute he has, with plans for more. "I am 44 now. That means, I have 16 more years before I retire. Maybe I can not plan all that I will be doing in the future, but for the next three or four years I have plenty to do, of course in IFL."

■ KAVERI MITTRA

FRONTRUNNERS

In only eight years the 34-year-old **A.T.P. Ramani** has jumped from executive trainee to marketing manager of Godrej Soaps, the Rs.350-crore turnover company. Ramani today is a contented man, though a trifle busy. Promoting Cinthol lime soap and Godrej hair dye are among his major accomplishments. "We are the market leaders in hair dye today," he says proudly.

Ramani had a brilliant academic career as well. A national merit scholar in college, he graduated in chemical engineering (first class) from Bombay University's department of chemical technology. "But then I realised that engineering was not my cup of tea. I was more into debates and extra-curricular activities," he reveals. He joined the Bajaj management institute and, after earning a first class degree, joined Godrej. "The rest," he claims, "is history."

— S.G.

Hotels can provide the right kind of professional challenges. And it is easy to fall in love with them too. It's happened with many; it happened with the 33-year old **Gautam Sen Gupta.**

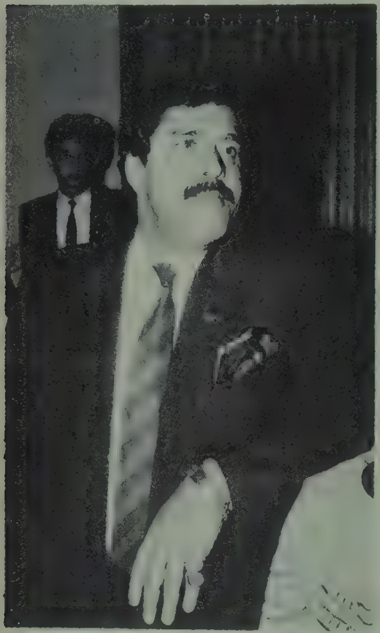
Sen Gupta, presently regional manger, sales and marketing, with the Taj group, ventured into the hotel industry quite by default. Or so his qualifications indicate.

An alumni of IIT, Kharagpur and Indian Institute of Management, Calcutta, Sen Gupta joined the Tata Adminstration Services in 1981. His first posting was at the Taj Mahal hotel, Bombay, and he has since stayed put.

Among other things that he is suppossed to do for marketing his hotel, Sen Gupta is responsible for a unique experiment at the Taj — the Taj Continuing Education Programme. "The idea was already there when I joined, I merely implemented it," he says.

R.S

'Follow the leader' is a well-known adage and this is true of Indian industry as well. **Vijay Mallya**' flashy lifestyle (private plane, own speedboat, horses, estate by the sea) often makes more news than the performance of his companies. Now his executives too are trying to emulate him. Recently, senior officials at UB Petroproducts in Vizag, were in a fix because a consignment had not been kept packed and ready for inspection by a foreign buyer. So they called up a manufacturer of HDPE sacks in Gujarat, with whom they had dealt previously, and asked him to despatch hundred sacks by the evening. And how was he to send them so quickly, asked the supplier. By air, of course, you dummy, came the answer. The batch of humble sacks, thus made corporate history by being the first of their tribe to travel by Indian Airlines. And the airfare bill be damned!



Almost everybody had forgotten that Madras is 350 years old this year. Even the Madras Municipal Corporation chose not to celebrate. But the Taj group decided to do Madras proud. Vice-president of operations, **Shankar Menon** and his wife Sujaya Menon organised a birthday party in real old worldly style. The decor was old-fashioned with a backdrop of a sepia-tinted reproduction of Fort St. George. The guests were asked to come dressed in old-fashioned costumes. Conservative Madras rose to the occasion. There were lots of dhoties, turbans, tailcoats and long gowns. Among those who entered the spirit of the celebrations were the A.L. Mudaliars (Titan Watches and Bata), the Jayakars (Shaw Wallace), Faroukh Irani (First Leasing), N. Chandra Sankar (Chemplast), Steina and T.T. Vasu. A good time was had by all.

The Indian corporate scene will never be the same again. For, in the midst of grave CEOs and other top executives, has arrived charming **Monika Garware**, eldest daughter of industrialist Shashikant Garware. Monika recently took over as a whole-time director of Garware Plastics & Polyester Ltd. An alumnus of Vassar College, New York, Monika has done her MBA from the Lubin Business School, Pace University, New York, where marketing was her major subject. With youth and knowledge on her side, the young lady should go to greater heights.

Of late, Indian businessmen are showing off that they are *au fait* with vogue words and expressions. Witness the use of 'glasnost' and 'perestroika'. One early and vocal advocate of these currently fashionable words is **Viren J. Shah**, Mukand's man of steel and currently Assocham president. Remember how in October 1988 he took out full-page newspaper ads of his chairman's speech entitled 'Perestroika: the global process'? And how the venerable *Hindu* of Madras refused to carry it?

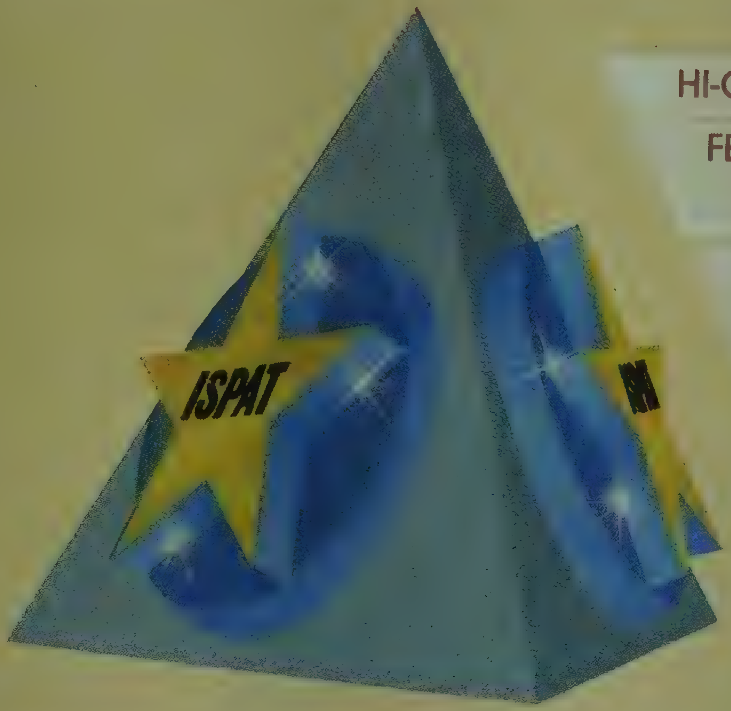
Well, Shah is back echoing Gorbachev. Last fortnight he recalled to the Cochin Chamber of Commerce and Industry his recent trip to China. There, of the 110 Chinese managers his delegation met, all used the phrase 'market economy'. "Slowly but surely, ideology is giving way to economic considerations," declared Shah. How then, one wonders, would he label his own Janata Dal's aversion to foreign investment and privatisation of the public sector?

Who's afraid of **George Fernandes** and a change of government? Ask the four Pepsi Cola executives parked at Hotel Oberoi for the last six months who can't buy a house in the capital because they want to pay only by cheque. Apparently, the Pepsi corporate office has instructed its officials not to get into any deal that may prove embarrassing to the company in the future. The memory of the treatment meted out to its rival, Coca-Cola, during the Janata regime must still be fresh.

Pepsi is believed to be particularly wary of George Fernandes who has gone on record to say that once the opposition grabs power, he is going to go through the Pepsi deal with a tooth comb. The major hurdle in the way of a house for the executives seems to be that every real estate owner in the city wants to be paid in the usual manner — in white *and* black. Meanwhile, East India Hotels keeps raking it in.

ISPAT ALLOYS

India's most versatile Metal and Ferro Alloys Complex



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- ★ Poised to become India's most versatile Metal and Ferro Alloys Complex, on completion of **Rs. 132 crore** expansion and diversification scheme under implementation — **first phase already commissioned.**
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PRESSMAN

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Besides steel, the list is vast and varied. Banks, cigarettes, biscuits, baby foods and a host of other industries have used NIIT Training to great advantage. Grindlays, ITC, Britannia, Glaxo and other leading organisations are among those who have gained.

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If the above criteria are applicable to you and you wish to join our organisation, please write to me, at 37 Chowringhee, Calcutta 700 071, with a brief resume of your qualifications, you achievements and your experience within 10 days of seeing this advertisement. Please mark the envelop with the code 'MGA' for Assistants and 'MGP' for Pupils.

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PUBLIC SECTOR SALARIES

Unmatched by the private sector

The commencement of the Supreme Court hearings on the Mishra Committee recommendations has once again focused attention on public sector salaries. It may be recalled that the government did not accept the committee's recommendations essentially because of the high cost of implementation. The major recommendations were the application of the dearness allowance, payable to Central government employees, to the public sector employees and the rationalisation of perquisites pertaining to various public sector units.

It is interesting that the 225 public sector units in the country have uniform salary scales for their officer staff, irrespective of the industry they are in, or the profitability of the unit. A majority of the units are on the industrial DA scheme which is currently about Rs.1,060 per month, whilst some of the relatively poorly performing units are on Central DA. The current Central DA, which allows for 100 per cent neutralisation up to a basic salary of Rs.3,500 p.m., and at reduced amounts thereafter, but with no overall ceiling, is certainly more favourable to employees. However, the impact of such large amounts of inflation-linked payments to hundreds of thousands of employees could have serious implications for the economy in general.

But the important question is whether public sector salaries can continue to remain unlinked to the unit's capacity to pay. The question is, of course, complex, given that several public sector units are sick and are unlikely to be ever viable.

Attracting young talent

However, the issue that perturbs most private sector employers is how to attract young talent in the face of the competitive salaries now offered by the public sector. This is especially so in the engineering industries, which pay relatively lower salaries. And how to attract experienced middle level managers, especially in industries such as petrochemicals and electronics, where the only trained technical and managerial skills are largely in the public sector.

Most private sector companies have already experienced difficulty in attracting staff from the public sector. They know that it is very hard to match the several "soft" perquisites of the public sector, starting with leave facilities, loan schemes, and medical and housing facilities. All these benefits are available at relatively junior levels in the hierarchy in public sector companies. And as is well known, public sector companies have made substantial investments in the provision of housing and other welfare facilities for their employees. Besides, benefits such as generous lunch facilities, uniforms and concessional rates for use of transport for personal needs, are taken for granted.

In many cases, generous loans are available on completion of one year's service. The maximum loan amounts are not very high, however, since it applies uniformly to all levels. It is estimated that 80 per cent of the officers have obtained loans of some kind. Private sector companies naturally are unable to provide similar benefits at junior and middle management levels.

In most private sector companies, loans are available only on completion of five years of service, and they are usually restricted to about 30 per cent of the employees of the organisation at any given time. Housing loans are, in fact, even more restricted due to the large amounts involved.

Leave benefits in the public sector pose another problem for the private sector, since it is possible for a public sector employee to avail of several different kinds of leave that would enable the person to take almost five years off without losing his job. This is especially attractive to women employees. Of course, most employees are used to taking at least 40 days off in a year by way of privilege and casual leave, or encashing part of it. Private sector companies, especially the newer ones, restrict leave to the minimum statutory requirements. Most employees are consequently entitled to not more than 30 days of casual and earned leave. And the average employee finds it difficult to get even this leave on account of the inadequate staffing in the company. Public sector employees coming into such a culture seek monetary compensation for the loss of such benefits.

> The issue that perturbs most private sector employers is how to attract young talent in the face of the competitive salaries now offered by the public sector

Many of these benefits were introduced at a time when the public sector was unable to make much headway in attracting and retaining staff, However, over the years, with improvements in the salary scales, the upward movement in the DA and the introduction of various allowances, the take-home salaries at the junior and middle management levels have caught up with those of the private sector in areas, outside the high wage islands.

Unfortunately, many public sector employees still think that substantially higher salaries prevail in private sector companies even at these levels. Consequently, many young public sector managers have unreal expectations of the salary hikes that they can expect in the private sector. There is often a perception that private sector companies are entirely flexible and have unlimited scope to negotiate and accommodate individual requirements. This is perhaps true at senior levels and for certain highly specialised positions but proves to be unrealistic at other levels.

Considerable flexibility

In this context, it must be noted that even in public sector units, considerable flexibility does exist, in the kind of perquisites and benefits provided. Several of these can be decided on by administrative fiat. Several informal arrangements also do exist, such as the use of company transport for personal travel. Naturally, many of these practices are in vogue in the more profitable units and it is widely acknowledged that corporations such as the ONGC are good paymasters.

The boom in the petrochemicals industry has seen a lot of movement of top professionals from the public sector to the private sector. The lesson to be learnt is that the focus of the public sector should be on finding ways of retaining talented senior managers. This means a fresh look at, not only the totality of senior management compensation including retirement benefits, but also the work ethos and culture.

■ ANITA RAMACHANDRAN

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HIGHLIGHTS

- Oil and gas industry – Priority sector
- Future outlook positive – Eighth Five Year Plan investments in oil exploration to exceed Rs. 25,000 crores, out of which 45% is for use in drilling activities.
- Two Off-shore Rigs already in operation – (1) 300 ft. jack-up off shore drilling Rig (2) A semi-submersible based floating oil production facility – first of its kind in India in the private sector.
- Two additional contracts secured from ONGC for a 300 ft. jack-up Rig and one land Rig.
- R & D centre being set up by Hitech in India-first of its kind in the private sector.
- Rights offer at Par Value as against ex-rights market price of Rs. 20.50 as on 5th October, 1989.
- Listing on Bombay and Delhi Stock Exchanges.

CONSULTANTS AND ADVISORS TO THE ISSUE:

Tata Financial Services (A Division of Tata Sons Ltd.)
Bombay House, 24, Homi Mody Street, Bombay-400 001.

REGISTRARS TO THE ISSUE:

Tata Share Registry Limited
Unit: Hitech Drilling, Army & Navy Building
148, Mahatma Gandhi Road, Bombay-400 001.

Letter of Offer and Composite Application Forms have been mailed to members individually. Those who have not received these may contact the Registrars to the Issue quoting their Registered Folio Number.

The Hitech Opportunity

ISSUE OPENED ON
16th OCTOBER, 1989

ISSUE CLOSES ON
15th NOVEMBER, 1989

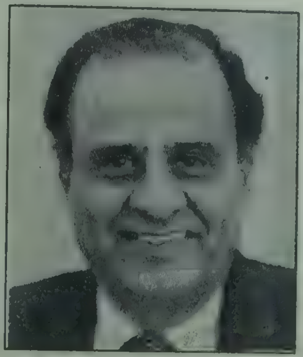
CORPORATE VOICE IS/HTD 188

EXECUTIVE LADDER

.B. Chandran has taken ver concurrent charge as hairman and managing irector of Hindustan ertilisers Corp. Ltd.

Jitender Bhargava has taken over as chief public relations manager of Air-India.

K. Raghavaiah has been appointed managing director, Bharat Heavy Plate and Vessels Ltd.



K.V. Krishnamurthy has been appointed managing director of ITC Agro Tech Ltd.

.S. Chenny has taken ver as area vice-resident (south) at the ndian Tourism evelopment orporation.

P.S. Santhanam has taken over as general manager of Bank of India.

T.K.K. Bhagavat has been appointed chairman and managing director of Bank of Maharashtra.

Shiv K. Seth has been appointed director, internal audit, at TISCO Ltd.

R.T. Javeri has been appointed wholetime director on the board of Cynamid India Ltd.

B.R. Arora has been appointed director on the board of Parke Davis (India) Ltd.

R.B. Rao has taken over as director (finance) of National Aluminium Company Ltd.

Yewondwossen Mengistu has been appointed regional director, India & South Asia, Ethiopian Airlines.

Vipin Malik has been appointed director of Canara Bank.

P.R. Merh has taken over as executive director (raw materials division) at Steel Authority of India Ltd.

K. Ramaswamy has been appointed vice-president (welding division), Indian Oxygen Ltd.

S. Roy has been appointed vice-president, corporate affairs, at Indian Oxygen Ltd.

A. Basu has been appointed chairman of VST Industries Ltd.

R.J. Mehta has taken over as executive director (finance) of Gujarat Alkalies and Chemicals Ltd.

C.C. Abraham has been appointed as managing director of Kerala State Detergents & Chemicals Ltd.

Gautam R. Morarka has been appointed managing director of Pampasar Distillery Ltd.

Ravi Moorthy has taken over as national sales manager (Institutional division) of Modern Home Care Products Ltd.

ASSOCIATIONS

amesh Hariani has een elected chairman of he Process Plant and achinery Association of ndia.

hulam Naqshband has een elected chairman of he India chapter of nternational Congress nd Convention ssociation.

.K. Raman has been ected president of the ll India Rubber ndustries Association.

Mahendra D. Shah has been elected president of the Federation of Corrugated Box Manufacturers of India.

Harish Mahendra has been re-elected chairman of the Indian Society of Advertisers.

P.N. Singh has been elected chairman of the Federation of Asian Institute of Management Alumni Associations.

Amitav Kothari has been elected president of the Merchants' Chamber of Commerce, Calcutta.

M.B. Jayaram has been elected chairman of the Public Relations Society of India, Karnataka chapter.

P.K. Krishnakumar has taken over as president, United Planters' Association of Southern India.

G.G. Muthanna has been elected vice-president.

Krishnamurthy S. Lokkur has been elected president of the Bangalore stock exchange.

R. Bhoothalingam has been elected chairman of Andhra Pradesh branch of the Employers' Federation of Southern India. **S. Chandra** has been elected vice-chairman.

N.R. Jain has been elected chairman of the Maharashtra State Board of All India Manufacturers' Association.

Senior executive positions

A compilation of executive positions advertised in **Business Ind**
and other major publications between 9 and 22 October 1989

WEST

- GENERAL MANAGER (Marketing) * Hazira, Gujarat * *Sal* Attractive * *Age/Qlfn* 45 years * Post graduate in marketing and basic qualification in chemical engineering * *Reqd* Minimum 15-20 years experience in the petrochemicals field, of which five should be as marketing manager. * *Cont* The Central Recruitment Cell, Reliance Petrochemicals Ltd, 10th floor, Tulsiani Chambers, 212 Nariman Point, Bombay 400021 (BI - 16.10)
- MEDICAL DIRECTOR * Bombay * *Sal* Attractive – Housing * *Age/Qlfn* 45 years * Senior medical practitioner * *Reqd* Hospital experience * *Cont* A.F. Ferguson Associates, Post Box 1786, Bombay 400 001 (BI - 16.10)
- VICE-PRESIDENT (Sales and Marketing) * Bombay/Pune * *Sal* Attractive * *Age/Qlfn* 35-45 years * NS * *Reqd* More than 10 years' relevant experience * *Cont* Box No.AA/303/LK/3, Business India, Wadia Building, 17/19 Dalal Street, Fort, Bombay 400 001 (BI - 16.10)
- VICE-PRESIDENT (Corporate Finance) * Bombay * *Sal* Attractive * *Age/Qlfn* 35-45 years * NS * *Reqd* More than 10 years' relevant experience and a proven track record * *Cont* Box No. AA/303/LK/3, Business India, Wadia Building, 17/19 Dalal Street, Bombay 400 001 (BI - 16.10)
- CHIEF EXECUTIVE (Rajasthan Pedrini Limited) * Jodhpur * *Sal* Attractive * *Age/Qlfn* NS * Graduate in Mechanical/Industrial Engineering * *Reqd* Minimum 10/15 years experience in the field * *Cont* Management Consultant, Rajasthan Pedrini Ltd, 13 Heavy Industrial Area, Jodhpur 342 002 (BI - 16.10)
- CHIEF EXECUTIVE (Operations) * Bombay * *Sal* Attractive – Housing will be considered * *Age/Qlfn* 40-50 years * Chemical Engineer or Masters in Science * *Reqd* At least 15-20 years experience in both manufacturing and commercial disciplines * *Cont* Ms. Pratibha Sheth, Executive Director, Shilputsi Consultants, P.B.No. 9386, Bombay 400 026 (BI - 16.10)
- GENERAL MANAGER (Finance) * Bombay * *Sal* Not limiting factor * *Age/Qlfn* 40-45 years * CA * *Reqd* 8 years experience at senior level * *Cont* Human Resources Cell, Nippon Denro Ispat Ltd, 802, Raheja Centre, 274, Nariman Point, Bombay 400021 (ToI - 20.10).
- VICE-PRESIDENT (Technical) * Maharashtra * *Sal* Not limiting factor * *Age/Qlfn* NS * Graduate/post graduate in mech engineering or metallurgical engg * *Reqd* 20 years experience in planning, organising and executing large metallurgical projects - indepth exposure * *Cont* Human Resources Cell, Nippon Denro Ispat Ltd, 802, Raheja Centre, Nariman Point, Bombay 400021 (ToI - 20.10)
- HEAD (Finance) * Narmadanagar, Gujarat * *Sal* NS * *Age/Qlfn* 40 years * CA * *Reqd* 15 years experience, 5 years in senior capacity in finance department of manufacturing company, computer operations experience essential * *Cont* General Manager (Corporate Planning), GNFC, PO Narmadanagar 392015, Bharuch (H - 21.10)
- HEAD (Personnel & HRD) * Narmadanagar, Gujarat * *Sal* NS * *Age/Qlfn* around 40 years * PG in personnel management/social sciences * *Reqd* 15 years experience in RD, 5 years senior experience, knowledge of Gujarati * *Cont* General Manager (Corporate Planning), P.O. Narmadanagar 392015, Bharuch (H - 21.10)

NORTH

- FINANCIAL DIRECTOR * New Delhi * *Sal* Negotiable * *Age/Qlfn* 35-45 years * Chartered Accountant * *Reqd* Minimum 12 years post qualification experience of which at least 8 years should be at a senior level * *Cont* (With Reference No. MSD - 1059), S.R.Batliboi & Co., Himalaya House, 7th floor, 23 Kasturba Gandhi Marg, New Delhi 110 001 (BI - 16.10)
- CHIEF EXECUTIVES * New Delhi/Noida * *Sal* Rs.2 lakh pa * *Age/Qlfn* Around 40 years * Engineering graduates * *Reqd* Minimum 2 years experience with at least five years in general management positions in organisations of repute * *Cont* Box No. AA/303/LK/5 Business India, 59 Regal Building, Connaught Circus, New Delhi 110 001 (BI - 16.10)
- EXECUTIVE DIRECTOR (Operations) * New Delhi * *Sal* Rs. 6,980 pm * *Age/Qlfn* NS * PG in food technology or masters in management or engineering degree * *Reqd* Co-ordinating all operations * *Cont* Managing Director, Modern Food Industries (I) Ltd, Patker Bhavan, 3rd Floor, R.K. Puram, Sector 13, Ring Road, New Delhi 110066 (H - 21.10)

EAST

- GENERAL MANAGER (R&D) * Calcutta * *Sal* Attractive * *Age/Qlfn* 38-45 years * Doctorate in Chemical Engineering * *Reqd* Minimum 10 years experience in Industrial R&D Establishments and a minimum of 5 years in a senior managerial position * *Cont* B.P. Agrawal (code R&D/BPA/2638), Chairman, ABC Consultants Private Ltd, Head Office 43/3 Hazra Road, Calcutta 700019 (BI - 16.10)
- CHIEF EXECUTIVE * Calcutta * *Sal* Rs.1.2 lakh per annum * *Age/Qlfn* 40-45 years * Engineer with a Postgraduate degree in Business Management or Industrial Engineering * *Reqd* Minimum 5 years' experience at a senior management level * *Cont* Lovelock & Lewes, 15C, Everest, 46C, Chowringhee Road, Calcutta 700 071 (BI 16.10)

SOUTH

- GENERAL MANAGER (Pollution Control) * Madras * *Sal* Attractive * *Age/Qlfn* 40 years * Degree in Chemical Engineering * *Reqd* Minimum 12 years experience in process design, marketing and management of pollution control equipment * *Cont* The Director, Coromandel Engineering Co Ltd, Tiam House Annexe, No.2 Jehangir Street, Madras 600001 (BI - 16.10)
- GENERAL MANAGER (Cement Plant) * Northern Karnataka * *Sal* Attractive * *Age/Qlfn* Late forties * Engineer * *Reqd* Relevant experience as chief engineer/works manager/general manager * *Cont* Box No.AA/303/LS/2, Business India, B-2 Ashiana Apartments, Old Lancer Line, Behind Sarojini Devi Road, Seacunderabad 500025 (BI - 16.10)
- GENERAL MANAGER (Network development) * Bangalore * *Sal* Attractive * *Age/Qlfn* 30-40 years * Degree/Postgraduate degree in Electronics Communication Engineering * *Reqd* Minimum of 15 years' experience in the field of transmission/switching, including 6 years in the product development field and 3-4 years in product application * *Cont* The Group Manager (HRD), W.S. Industries (India) Limited, Porur, Madras 600116 (BI - 16.10)
- CHIEF EXECUTIVE (Leather) * Madras * *Sal* Attractive * *Age/Qlfn* 40-45 years * Leather technologists preferably with an MBA degree * *Reqd* Experience of working in a senior capacity in a leather goods manufacturing environment * *Cont* A.F.Ferguson Associates, 32 Nungambakkam High Road, Madras 600 034 (BI - 16.10)
- CHIEF EXECUTIVE (Silk) * Bangalore * *Sal* Attractive * *Age/Qlfn* 40-45 years * Textile engineers with an MBA degree * *Reqd* Senior management experience in modern textile mills or agro-industries * *Cont* A.F. Ferguson Associates, Post Box No. 1786, Bombay 400 001 (BI - 16.10)

Executive positions

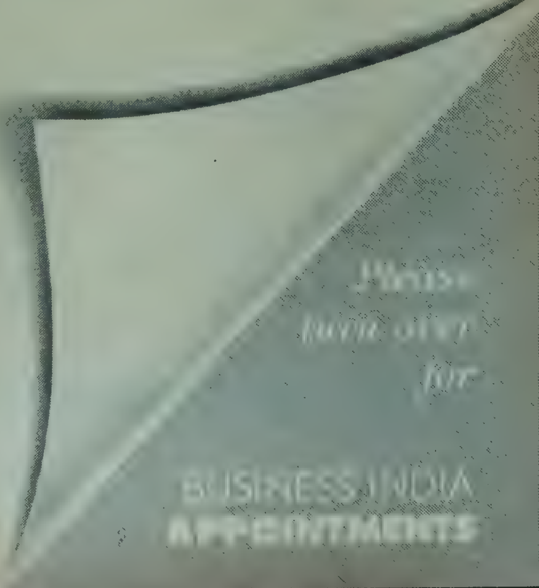
TOI — Times of India; *IE* — Indian Express; *H* — The Hindu; *S* — Statesman; *HT* — Hindustan Times; *ET* — Economic Times; *Econ* — Economist; *BI* — Business India

NATIONAL

- PROJECT EXECUTIVES * New Delhi * *Sal* Attractive * *Age/Qlfn* NS * Engineer and/or MBA from schools of repute * *Reqd* Some project experience and a working familiarity with the UNIX environment * *Cont* The Project Manager, Tifacline, E-6 Qutab Hotel, New Delhi 110016 (BI - 16.10)
- WORKS MANAGER (Bayer) * Himatnagar, Gujarat * *Sal* Good * *Age/Qlfn* 35-40 years * Graduate degree in chemistry or chemical engineering postgraduate degree/diploma in management * *Reqd* Minimum 12-15 years experience in a chemical process unit desirable * *Cont* The Personnel Director, Bayer (India) Ltd, Express Towers, Nariman Point, Bombay 400021 (BI - 16.10)
- PROJECT MANAGER * Bhopal * *Sal* Attractive * *Age/Qlfn* 35-45 years * Degree in Engineering/MBA * *Reqd* Minimum 10-15 years experience in production/manufacture of female and baby hygiene products * *Cont* Box No. AA/303/AS/4, Business India, 59 Regal Building, Connaught Circus, New Delhi 110001 (BI - 16.10)
- COMPANY SECRETARY/FINANCIAL CONTROLLER * Bhopal * *Sal* Attractive * *Age/Qlfn* * Chartered Accountant with an Associate Member of the Institute of Company Secretaries of India * *Reqd* Minimum of 7 year experience as a company secretary/deputy company secretary of a large/medium organisation * *Cont* Box No.AA/303/AS/4, Business India, 59 Regal Building, Connaught Circus, New Delhi 110001 (BI - 16.10)
- SENIOR MANAGER (Projects) * Bangalore * *Sal* Attractive * *Age/Qlfn* 30-40 years * Degree/prostgraduate degree in Electronics/Communication Engineering * *Reqd* Minimum 12-15 years experience in development/manufacture of UHF/Microwave Radio equipment with 3-5 years in a senior management position * *Cont* The Group Manager (HRD), W.S. Industries (India) Ltd, Porur, Madras 600116 (BI - 16.10)
- MANAGER (Sales Promotion & Advertising) * Hazira, Gujarat * *Sal* Attractive * *Age/Qlfn* 40 years * BE (Chem) or a science graduate with postgraduate qualifications in marketing/advertising * *Reqd* Minimum 12-15 years experience in the advertising field * *Cont* The Central Recruitment Cell, Reliance Petrochemicals Ltd, 10th Floor, Tulsiani Chambers, 212 Nariman Point, Bombay 400021 (BI - 16.10)
- PRODUCT MANAGER (Chemicals and Engineering) * Bangalore * *Sal* Attractive * *Age/Qlfn* 30 years * NS * *Reqd* Experience in this field * *Cont* A.F. Ferguson Associates, 115 Dickenson Road, Bangalore 560 042 (BI - 16.10)
- MANAGER (Domestic Training) * Bangalore * *Sal* Attractive * *Age/Qlfn* 35-40 years * MBA degree * *Reqd* Experience of working in reputed firms * *Cont* A.F. Ferguson Associates, 115 Dickenson Road, Bangalore 560 042 (BI - 16.10)
- PROJECT ENGINEERS * Bombay * *Sal* Commensurate with Qualifcation & experience * *Age/Qlfn* 30-35 years * Degree in chemical/mechanical or marine engineering * *Reqd* Experience in executing projects 6-8 years in chemicals or drugs, plant or with consulting engineers * *Cont* Corporate Personnel Dept, Glaxo India Ltd, Dr. A.B. Road, Worli, Bombay 400015 (ToI - 20.10)
- PROJECT MANAGER * South India * *Sal* Attractive & liberal perks * *Age/Qlfn* 32-35 years * Mechanical engineering degree and management qualification preferable * *Reqd* Responsible for project 7-8 years experience with a company in vegetable oil extracting, refining * *Cont* A.F. Ferguson Associates, P.O. Box 1786, Bombay 400001 (ToI - 20.10)
- FINANCE MANAGER * Ahmedabad * *Sal* Comparable to best in industry * *Age/Qlfn* Around 40 years * CA * *Reqd* 10 years experience finance and accounts * *Cont* Chief Executive, Pioneer Industries, Rasna House, Panchwati, Ahmedabad 380006 (ToI - 20.10)
- SOFTWARE ENGINEERS * Bangalore * *Sal* * *Age/Qlfn* Below 30 years * Engineering Graduates or postgraduates in computer applications with 2-3 years exp * *Reqd* 4-5 years experience in software development - CAD, CNC etc, knowledge of German for software exports services to Robert Bosen - W. Germany * *Cont* Divisional Manager (HRD), MICO, P.B. No 3000, Hosur Road, Adugudi, Bangalore 560030 (H - 21.10)
- MARKETING MANAGER * Hyderabad (AP) * *Sal* Good Remuneration * *Age/Qlfn* 30-35 years * MBA - sales and marketing * *Reqd* Innovative marketing, skills in marketing of consumer goods and also sales administration * *Cont* President, Mid-West Leasing Ltd, Mid-west House, Punagutta Circle, Hyderabad (H - 21.10)
- CHIEF CERAMIST * Routak, Haryana * *Sal* Commensurate with qualifaction etc * *Age/Qlfn* About 40 years * Ceramic engineering graduate * *Reqd* 5 years experience - ceramic tile industry * *Cont* Managing Director, International Ceramics Ltd, 15, Puschim Vihar Extn, Opp. Ordinance Depot, New Delhi 63 (H - 21.10)
- REGIONAL MANAGERS (EDP) * Bombay, Bangalore & Madras * *Sal* Attractive * *Age/Qlfn* NS * Information technology graduates * *Reqd* 10 years experience in consulting or industry in Information technology or software development, strong in leadership and communication, knowledge of CASE foots, HGL's, networking RDBMS & UNIX * *Cont* Price Waterhouse Associates Pvt Ltd, Sukha-Swarga, 2/5 Subash Bose Road, Calcutta - 700020 (ToI - 24.10)
- DESIGN ENGINEER * New Delhi * *Sal* Rs.1 lakh pa * *Age/Qlfn* 35-40 years * Degree in mechanical engineering * *Reqd* In-depth experience in design erection and maintenance of roll forming machinery * *Cont* Box No.AA/303/LF/4, Business India, 59 Regal Building, Connaughht Circus, New Delhi 110001 (BI - 16.10)

OVERSEAS

- OVERSEAS MANAGER (Bharat Forge Ltd) * Moscow * *Sal* Attractive * *Age/Qlfn* NS * Engineering production, preferably with Postgraduate qualifications from USSR * *Reqd* Proficiency in Russian is a must * *Cont* Divisional Manager: Personnel, Bharat Forge Ltd, Mundhawa, Pune Cantonment, Pune 411036 (BI - 16.10)



Quest

Our client is a blue-chip Business House with an annual sales turnover of around Rs. 500 crores and operations in Northern, Southern and Eastern India. Its record of growth, profitability and innovative management are impeccable. To cater to large, high technology projects that the Group is embarking upon, it has entrusted us with the selection of the following extremely senior professionals who would spearhead the new projects as also assume responsibilities in on-going companies.

2 PRESIDENTS

They will have total techno-commercial responsibilities and must be leaders of men and be strong in "team building". Ideally they should have had meaningful experience at some stage of their career in putting up large projects from greenfield stage. However those without such experience will also be considered provided they have an excellent track record in large, well-organised units. Should be Graduate Engineers or Chartered Accountants in the age group 45-50. Essentially they must have initiative and strong common sense to get things done.

VICE PRESIDENT

Commercial

This is a senior and vital position in a large Public Limited Company of the Group with responsibilities for accounts, purchase, general administration, liaison with Government Departments and other commercial functions. Chartered/Cost Accountants or post-graduates in Commerce or MBAs, between 40 and 45, with a minimum of 15 years experience will be most suitable. Must have sound commercial acumen and administrative competence of a high order.

For these positions the compensation package will be among the best available in the country. Please write in strict confidence with detailed c.v. to D. Bose, Director mentioning contact telephone numbers.

QUEST CONSULTANTS & ENGINEERS PVT LTD
8/1 Chapel Road, Calcutta 700 022

VICE-PRESIDENT—MARKETING

CORPORATE OFFICE
NEW DELHI

Rs. 2 LAKHS PER ANNUM
+ ANNUAL PERKS
+ TERMINAL BENEFITS

We are a large multi-unit, multi-product group with interests in CONSUMER ELECTRONICS, HOME APPLIANCES, ELECTRONICS COMPONENTS, TRADING etc. backed by technological support from world leaders in various product lines. Our own team of over 1200 personnel comprises large numbers of professionals in various disciplines including engineering, management, accounting etc. Of these, around 300 personnel account for our product, sales, service, export and other related marketing functions at our Corporate, Regional and Branch Offices and Depots, spread over 20 locations, handling over 800 dealers.

We have in the past 5 years consistently commanded a major share of the national market in our product segments and are now poised for a quantum increase in our share of the total market in various other segments. This is proposed to be achieved through major expansions in our existing product range as well as diversification into new product lines with fresh investments of around Rs. 50 crores in the coming 18 months. With this, our gross turnover is expected to cross Rs. 500 crores in 3 years.

We are looking for an outstanding leader to take overall charge of our Marketing functions. The incumbent shall be expected to chart the directions and course of our highly ambitious plans to convert them into larger market shares, sales and profits. He shall be independently responsible for the total marketing functions including product management, sales, distribution, service and exports etc. for all our products in all our group companies. He shall be supported by a large team of proffessionals in each product line and function and shall report to the Managing Director.

Candidates with requisite professional qualifications and around 20 years experience of which atleast 5 years in senior positions in organisations of repute would be suitable. Excellent track record of achievements in innovative marketing strategies, aggressive selling, dealer relations and man-management would be decisive factors in selection. Preferred Age Group-around 40 years.

The terms mentioned above are indicative and can be negotiated to match the merits. Please apply within 10 days with full biographical details and record of achievements alongwith a recent passport size photograph to :

Box No. AA/304/LK/3, **Business India,** 59, Regal Building, Connaught Circus, New Delhi 110 001.

All applications will be treated in strict confidence.

Readymoney is already a household name in the South. In only 6 years it has won over 45,000 families with money-saving bargains and instalment schemes for consumer durables. It has set up outlets in 10 Southern cities. And one of the best one-stop-shops — Readymoney Shoppe in Madras.

As **Vice President-Marketing** of Readymoney you can mastermind the marketing of everything from soaps to microwave ovens.

Our first choice was Karsanbhai Patel...

We want you to make Readymoney a household name. All over India. In 2 years flat.

Identify locations for more Shoppes — all over India.

Find the right parties for tie-ups.

Decide on new product lines that can be taken up for distribution in the South.

Study growth prospects in related areas.

Expand the dealer network to all over the South.

And, for the first time in India, you'll launch Catalogue Marketing.

We don't have to use cliches like dynamic, result-oriented and responsible. Because we want you to achieve the above targets in record time. Naturally, you'll have the appetite for innovative marketing. The guts to make things happen. The ability to digest marketing realities and translate them into selling ideas.

You'll be an MBA with around 5 years' experience in consumer durables marketing.

The carry-home package includes salary of Rs.1,00,000 per annum. Plus perks.

Between selling soaps and touching targets,
find time to call, or write to:

The Chairman
Readymoney
119 Dr Radhakrishnan Salai, Madras 600 004.
Tel: 847365, 847389, 847011.

Readymoney

WHEN YOU GROW UP WITH THE BEST
YOU STAY WITH IT.

Lal Imli Dhariwal. Suitings that have remained classics through the years.

Yet, contemporary too! Keeping with to-day's fashion trends they offer you a range to choose from. Tweeds, Worsted, Blazer Material, Woollies, Blankets, Cosy Shawls, Knitting Yarn. And more.

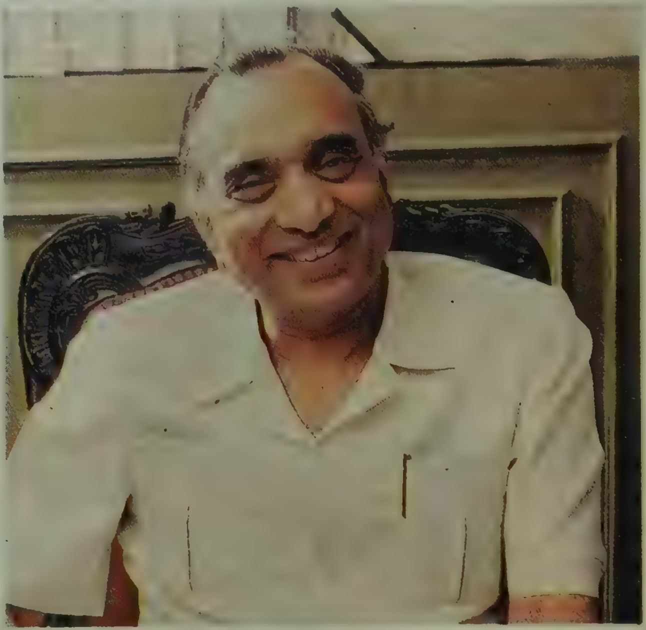
Lal Imli Dhariwal. Always in style. Never out of fashion.

THE ORIGINAL DRESS CIRCLE!

Lal imli
Dhariwal

TRADITION
113 years
ENDURES

NIPPON DENR



M.L. Mittal, Chairman

Chairman's Statement at the Fou Annual General Meeting of the Company held on 19th September, 1989

Dear Shareholders,

I welcome you all to the Fourth Annual General Meeting of your Company. The Directors Report and Abridged Accounts for the 18-months period ended 30th April 1989 have been with you and with your permission I would like to take them as read.

As always it gives me the greatest satisfaction to see our Shareholders grow from strength to strength in each year. Today, we are a large family of over 2 lakh Shareholders spread throughout the length and breadth of this country as also abroad. I welcome all the Shareholders present here with an assurance that we will endeavour to ensure that our relationship is mutually rewarding and fruitful.

Economic Scenario

Before going into details about your Company's performance for the period covered by the Directors Report, I would like to make a brief reference to the current economic scenario in the country. In the past few years, we have seen an unprecedented rise in Industrial Productivity, Exports and overall Development of the Economy despite several natural calamities which the country had to face during this period. The emerging picture for the future is also, therefore, encouraging. A wind of change is presently sweeping the Indian Steel Industry. The recent announcements the Government for Liberalisation of the Indust Policy as regards Steel as also the increase in minimum economic capacity of various plants different types of Steel Products augurs well for future of the Industry. There is still scope for furt liberalisation and in my opinion, the minim economic size of different types of Steel Plants still substantially lower as compared to Inter tional Standards. Your Company is also poised take up New Challenges by setting up a new bre of Steel Making and Processing Facilities and co out with a range of specialised Flat St Products.

Expansion & Modernisation

The production of the Cold Rolling Mill recer commissioned was, as envisaged, well receivec the market. As a result of the tremendous respo received from the end users, the Company proposed to double the capacity for Cold Rol Steel Sheets. The increasing shortage of Melt Scrap and escalating prices in the Internatio Market has increased the demand for Sponge I leading to an explosion in its demand all over world, including our country. With the exper gained by the group in operating Sponge I Plants in the West Indies, I see this as an ic business opportunity for the Company. Company proposes to set up a Gas Based Spor Iron Plant for the manufacture of 8,00,000 ton of Sponge Iron per annum.

Capital Market

The Indian Capital Market has undergone a change in the last few years. An improvemen the overall Corporate Results together v improved Economic Conditions have led to grea confidence of people in the Corporate Sector. finance the new ventures, your Company wo also be issuing fresh capital and we will informing you shortly the details of the Fr Investment Opportunities.

ADVERTISEMENT

ISPAT LIMITED

Highlights

- ☐ Cold Rolling Mill Commissioned – tremendous response from end users
- ☐ Expansion and Modernisation of CR Mill – doubling capacity from 1,25,000 to 2,50,000 tonnes
- ☐ Proposal to set up a 8,00,000 tonnes Gas-Based Sponge Iron Plant – to meet the accelerating worldwide demand
- ☐ Turnover of Rs.155.81 Crores, Gross Profit of Rs.16.99 Crores and Profit Before Tax of Rs.5.77 Crores for the period ended 30th April, 1989
- ☐ 30% Dividend

perations

The Turnover of the Company during the period
ded 30th April, 1989 was Rs.15581.66 Lakhs.
oss Profit and Profit Before Tax for the same
iod was Rs.1699.73 Lakhs and Rs.577.42 Lakhs
pectively. As mentioned in the Directors Report,
Results have been satisfactory in view of the
ious constraints under which the Company was
erating during the period. Accordingly, your
ectors have recommended a Final Dividend of
% for the year after taking into consideration the
erim Dividend of 12% already paid. This is in line
h the Company philosophy of continuously
varding its Shareholders. The outlook for the
rent year continues to be satisfactory. In the first
r months there has been over 100% utilization
licensed capacity in the Galvanizing Plant and
r 70% in the Cold Rolling Mill. It is expected that
ing the current year the Company's turnover
exceed Rs.300 crores.

arket Standing

As far as the Products are concerned, we are
ay the Market Leaders in the Thin Gauge
vanised Steel Sheet Market. As a result, we
esee a steady growth and a further rise in the
centage of sales accounted for by this division.
production of the Cold Rolling Mill commissioned during the period was well received in the market because of its precisely controlled shape, flatness and other superior features. With the advent of the PVC/Colour Coated Steel Sheets by the end of the year, a new dimension would be given to the applications of Flat Steel Products in the country. For the first time Steel Sheets in a variety of colours and designs would be available for the Interior and Exterior Applications in Construction, Architecture, Electrical Appliances and other Industries.

In order to maintain our competitive advantage, we must continuously upgrade our Product Quality and make the most efficient use of Financial Resources and achieve higher returns on investment. By constantly working to improve value addition, reduce costs and tighten control of working capital management, we aim to increase the overall profitability and to ensure a position of leadership in our various product lines.

Work Force

In order to effectively implement these programmes, we continuously rely on a highly trained, motivated and dedicated Work Force. Our cordial Employee/Management Relationship is one of our great strengths and one of the main reasons that we are confident that the future will see our Company maintaining its position as a leader in the manufacture of Flat Steel Products in the country.

It is with utmost confidence I pledge to you the dedication of **THE ISPAT GROUP** to growth as the "Continuous Pursuit of Excellence".

With best wishes.

M.L. Mittal
Chairman

NOTE : This does not purport to be a record of the proceedings of the Annual General Meeting.

ISPAT

NIPPON DENRO ISPAT LIMITED
Park Plaza, 71 Park Street, Calcutta 700 016

"In continuous pursuit of excellence"

PRESSMAN

Planning a conference?
Then we'd like to make you a
sound business proposition.

HEADS YOU WIN

KODAIKANAL

THE NEW CARLTON

The Resort at Bombay or The New Carlton at Kodai. It's the golden sands of Marve or the blue hills of Kodai. Where our gourmet chefs will steal your hearts and keep your spirits soaring.

For your next conference let The Resort or The New Carlton take care of all the arrangements.

TAILS YOU WIN

BOMBAY

The Resort

And here are some of our facilities.

■ Spacious conference and meeting halls ■ A complete range of presentation equipment ■ Secretarial service ■ Telex and Trunk facilities ■ Courier service ■ Luxurious rooms and cottages fitted with colour TV, in house movie channels and hi-fi music ■ Health and fitness centre ■ Exclusive outdoor and indoor sports facilities ■ Squash courts/Billiards/Golfing green/Skating rink ■ Excellent cuisine ■ Swimming pool - The Resort ■ Boating - The New Carlton ■ Discotheque - The New Carlton

The Resort or The New Carlton. Either way you win.

The K Raheja Group of Hotels
Hospitality at its best

* For Reservations contact any of our Sales Offices below: Ahmedabad: Tel: 403564/465536/404861; Bangalore: Tel: 568085/86/87; Bombay: Tel: 6494552/4557/4560; City Office: Tel: 243617/234454; Delhi: Tel: 344225; Hyderabad: Tel: 234776/1762; Madras: Tel: 479428/474942

At MONTANA, all of us are excited about the tremendous customer response to our Diesel car. Order booking has been heavy and we are accelerating production to meet the demand. We need a czar to occupy the front seat and control the total manufacturing operations as the :

VICE PRESIDENT
Manufacturing

70 kms. for the cost of 1 Ltr. of Petrol!

The New Generation Diesel Car !

MONTANA

Sipani Automobiles Ltd

You will be reporting directly to the Managing Director and will be given overall charge of all manufacturing operations including controls covering production quality assurance, maintenance and design development.

We are hoping you have a degree in automobiles / mechanical engineering with at least 15 years experience. We are looking to you to streamlining manufacturing procedures and with your leadership ability and experience we are sure you'll be able to motivate an excellent work force to increase production. No doubt over the years you would also have gained considerable skill in Labour Relations.

We don't expect you to handle every thing yourself. You'll be having a team of General Managers and Senior Managers in each major function area to assist you to provide a brains - trust to sound out your ideas.

A person with your qualification and experience isn't all that easy to find. That's why when we do find you we will make your life comfortable in every way.

> ***"I need someone like you to be my head of manufacturing."***

R.K. SIPANI
MANAGING DIRECTOR

Write to :

Sipani Automobiles Limited,
Tumkur Road,
Bangalore - 560 022.

National/SAL/2989

First to offer

Optimised Design Plant and Equipment for
Water Treatment/Pollution Control.
Water to water. For specific water.

SICO WATER TECHNOLOGIES

As a top manufacturing and marketing organisation, dealing in high-tech precision scientific instruments of world-wide repute since more than 77 years, we are now on the threshold of new vistas and new directions. Our most recent offering to the country is India's first wholly indeginous Hovercraft, manufactured entirely at our Ghaziabad plant.

With a highly-qualified and dynamic young team of technocrats and managers, located all over the length and breadth of the country as our main strength, we are now all set to launch our WATER TECHNOLOGIES DIVISION on full steam. Feasibility study is in progress in establishing manufacturing complex for ion exchanger, membrane, chemicals and equipment. Negotiations are in progress with world leaders for collaborations. We therefore, need at the top level

VICE PRESIDENT – DESIGN

He should be a Chemical/Mechanical Engineer with minimum 5 years experience in preparing and checking designs of water treatment plants or effluent treatment plants in a large project engineering company or consultancy organisation. He should be able to look after the drawing office independently with knowledge of various design codes. Familiarity with CAD will be an added advantage.

VICE PRESIDENT – MARKETING/SALES

The candidate should be a graduate in Chemical/Mechanical Engineering with 3-5 years of experience in marketing industrial equipment, including turnkey systems. He should be able to deal with the customers and consultants at all levels.

VICE PRESIDENT – PROJECT/CONTRACT

Chemical/Mechanical Engineers with 3-5 years experience in independently handling medium-size contracts/large turnkey projects would be the basic qualifications. He should also be familiar with various methods of time and cost monitoring and control like Pert/CPM; etc.; with ability to interact effectively with colleagues, suppliers and customers at all levels.

VICE PRESIDENT – FIELD SERVICES/PROCUREMENT

The candidate should be graduate in Mechanical Engineering with 3-5 years of experience in the procurement division of an Engineering company. Experience in procurement of fabricated steel items, brought out components, pumps, instruments, etc. is essential. He should also be familiar with erection, commissioning and servicing of chemical plants and equipment. Experience in water/effluent treatment industry desirable. He would be required to go to site for the erection/commissioning of systems supplied by our company.

Initiative, dynamism and ability to build and lead a result-oriented aggressive team are basic requisites for all posts. Degree in Business Management would be an added qualification.

Very attractive package of remunerations with perks admissible at the top management level are offered.

Please apply in full confidence to :

The President
SICO WATER TECHNOLOGIES
Bombay : 72/73, Free Press House, Free Press Journal Road,
215, Nariman Point, Bombay 400 021.
New Delhi : 410/411, Pragati Towers, Rajendra Place,
New Delhi 110 008.

SICO
SINCE 1911
high-tech update
A Division of **The Scientific Instrument Co. Ltd.**

AMOL BOSE ADVG 11589

GROUP COMPANY SECRETARY
GENERAL MANAGER-TAXATION

CORPORATE OFFICE
NEW DELHI

Rs. 1.65 LAKHS PER ANNUM
+ ANNUAL PERKS + TERMINAL BENEFITS

We are a large multi-unit, multi-product group with interests in CONSUMER ELECTRONICS, HOME APPLIANCES, ELECTRONICS COMPONENTS, TRADING etc. backed by technological support from world leaders in various product lines. Our own team of over 1200 personnel comprises large numbers of professionals in various disciplines including engineering, management, accounting etc.We have turned in excellent working results in our activities over the last 5 years and have consistently commanded a major share of the national market in our product segments. We are now poised for a major expansion and diversification in our activities with fresh investments of around Rs. 50 crores in the coming 18 months which is proposed to be financed through our considerable internal resources as well as public issues and institutional borrowings. With this, our gross turnover is expected to cross Rs. 500 crores in the next 3 years. We are looking for the following corporate level personnel:

GROUP COMPANY SECRETARY : To head the secretarial and legal functions for all our group companies at the corporate level. The incumbent shall also be responsible for public issues and related matters. He shall be supported by a Company Secretary and other staff in each of our companies and shall report to the Corporate Vice-President (Finance).

Excellent track record of achievements in handling issues, seeking timely clearances and approvals, conducting board meetings, managing the share department and advising management on all aspects of the Companies Act, IDRA and other related statutes would be decisive factors in selection.

GENERAL MANAGER—TAXATION : To take over all charge at the corporate level for all direct and indirect taxation matters of all our group companies. The incumbent shall be expected to formulate long term taxation policies for the group, keeping in view its planned investments and returns. He shall also be expected to advise the management on various provisions of the taxation laws from time to time as well as handle cases at various levels. He shall be supported by a team of professionals and shall report to the Corporate Vice-President (Finance).

Excellent track record of achievements in formulating sound long term taxation policies and affecting permissible savings as well as successfully representing cases before various authorities would be decisive factors in selection.

Candidates with requisite qualification and around 15 years experience of which atleast 5 years in a similar capacity in organisations of repute would be suitable for both the positions. Preferred Age Group : below 40 years.

The terms mentioned above are indicative and can be negotiated to match the merits. Please apply within 10 days with full biographical details and record of achievements alongwith a recent passport size photograph to :—

Box No. AA/304/LK/4, **Business India,** 59, Regal Building, Connaught Circus, New Delhi 110 001.

All applications will be treated in strict confidence.

JOB OPPORTUNITIES I

Join hands with India's

Indian Hospitals Corporation Limited, IHC, the parent Company of Apollo Hospitals Group is primarily engaged in offering consultancy services for Hospital projects from Concept to Commissioning. This pioneering Group, which professionalised the healthcare industry in In

APOLLO
HOSPITALS
GROUP

We have been retained by Bangalore Hospital Limited, a joint venture between the Apollo Hospitals Group and the UB Group, for recruiting personnel for top management positions. The Bangalore Hospital Limited in its first phase is setting up Mallya Apollo Hospital, a 150 bed super-speciality hospital at Bangalore along the lines of other Apollo Hospitals. This hospital, equipped with the state-of-the-art diagnostic equipments and renowned medical personnel, will be made operational by the end of 1989. For steering the hospital to its success, the Company requires the following personnel:

☐ MANAGING DIRECTOR / CHIEF EXECUTIVE LOCATION : BANGALORE

The incumbent will be responsible for overall management and administration of the Hospital. Profitability of the Company would be his responsibility and he will be reporting directly to the Board of Directors.

Candidate with Post-Graduate qualification in Management from premier management institutes, with 18 - 20 years of experience of which 3 - 5 years as profit centre head would be preferred.

☐ GENERAL MANAGER - OPERATIONS LOCATION : BANAGALORE

The incumbent will be responsible for the management and co-ordination of all non-medical functions viz, Personnel, Front Office, Food & Beverages, Housekeeping and General Administration and will report directly to the Managing Director/Chief Executive.

Candidate with Post-Graduate qualification in Business or Hotel Management from a premier institute and with 10 - 12 years experience preferably in the hotel/hospital industry need apply.

☐ MANAGER - FINANCE LOCATION : BANGALORE

The incumbent will be responsible for institutional finance, working capital management, MIS and other aspects of financial management needed for the functioning of the hospital.

Chartered Accountant with about 6 - 8 years experience of which 2 - 3 years in similar capacity in a large company would be preferred.

Candidates interested in building an organisation may send in their resumes with a photograph within 15 days to :

THE MANAGING DIRECTOR
INDIAN HOSPITAL
ALI TOWERS, III FLOOR, 'G' BLO

OSPITAL MANAGEMENT

pmost medicare professionals.

its high-tech international standard Apollo Hospitals, is executing projects worth Rs. 300 crores all over India.
e new ventures coming up under the Apollo banner are in collaboration with some of the most prestigious
iness houses in the country. The Company is also planning to take up management of hospitals in India and abroad.

LO
ITALS
IP

Indian Hospitals Corporation Limited (IHC) has established the second corporate hospital in the Apollo Hospital chain at Hyderabad. This multi-speciality hospital with a capacity of 300 beds with the manpower of about 1000 personnel has established itself as a major referral centre within a year of its operation.

IHC through Apollo Hospitals has endeavoured to bring in professionalisation of hospitals. As part of its strategy, IHC also proposes to establish a training institute at Hyderabad to conduct training and development programmes for the needs of the healthcare industry. The Company wishes to recruit the following management personnel :

INDIAN HOSPITALS CORPN.

☐ DIRECTOR - TRAINING — LOCATION : HYDERABAD

The incumbent shall be responsible for establishing and administering the proposed training institute, catering specifically to the needs of the healthcare industry. The job involves identification, design and implementation of training and development activities for staff of all cadres ranging from Management staff to Paramedical staff.

Graduates with 20 years experience in Teaching/Training and Development with a minimum of 4 years as Head of the Department need apply. Post-Graduate Diploma in Management/MBA from a reputed institute will be an added advantage.

☐ SENIOR MANAGER - PROJECTS — LOCATION : DELHI/BOMBAY/CALCUTTA

(NORTHERN REGION) (WESTERN REGION) (EASTERN REGION)

The incumbent shall be responsible for implementation and timely completion of Apollo's projects in these regions. This job involves liaising with various government agencies, architects, systems consultants, various other project agencies etc. and coordination between the corporate office and site.

Civil Engineer preferably with MBA qualification and 10 - 12 years of experience out of which 2-3 years should be as a head of large projects would be preferred.

☐ MANAGER - HRD — LOCATION : HYDERABAD

The incumbent shall be responsible for manpower planning, recruitment, training and implementation of HRD policies.

Candidates having Post-Graduate qualification from IIM/XLRI/TISS with 5 to 7 years experience in HRD preferably in the service industry need apply.

☐ MANAGER - FINANCE — LOCATION : HYDERABAD

The incumbent will be responsible for institutional finance, working capital management, MIS and other aspects of financial management needed for the functioning of the hospital.

Chartered Accountants with about 6 - 8 years experience of which 2 - 3 years in similar capacity in a large company would be preferred.

Candidates interested in building their career with a Company in a high growth industry may send their resumes with a photograph within 15 days to :

ORPORATION LIMITED
, GREAMS ROAD, MADRAS-600 006

Priyadarshini/8984

aims

FOR SINGAPORE

GENERAL MANAGER

(ELECTRONIC PROJECTS)

FOR A LARGE SINGAPORE BASED COMPANY WITH ESTABLISHMENTS IN SEVERAL COUNTRIES IN FAR EAST, JAPAN, U.K. AND INDIA REQUIRES A DYNAMIC PROFESSIONAL ELECTRONIC ENGINEER TO COORDINATE PROJECT WORK IN INDIA AND ELSEWHERE. THE INCUMBENT WILL BE STATIONED IN SINGAPORE, AND WOULD BE RESPONSIBLE FOR MONITORING EXISTING PROJECTS, AS WELL AS TO INDENTIFY NEW AVENUES FOR RAPID EXPANSION.

The candidate should be an ELECTRONIC ENGINEER from a well-known University in India or abroad with at least 10 years experience in techno-commercial activities in similar or related industry and having a proven track in Project identification and implementation.
He should be fully conversant with the Industrial/Import-Export Policies of the Government of India.

Compensation and Perks will be attractive and will not be a limiting factor for the right candidate. Those fulfilling the above pre-requisites and willing to take up the challenge with total commitment and involvement, should send their complete details with a recent photograph, within 10 days, in confidence, to:

P.S. Chohan President

aims MANAGEMENT CONSULTANTS
42, VEER NARIMAN ROAD, BOMBAY 400 023.

AIMS COMMUNICATIONS

V.I.P. INDUSTRIES LTD.

We are manufacturers of VIP Luggage and Skybags Soft Luggage. The present turnover of the Company is Rs.70 crores; from manufacturing facilities at Nasik, Jalgaon and Nagpur. The Company has an enviable record of growth from Rs.2.5 crores in 1978 to the present level, through sustained managerial and technological application by a young team of dedicated professionals.

As the Company gears up for the next decade of growth, it wishes to fill up the following top management openings at NASIK:

GENERAL MANAGER

(PLANNING & PRODUCTIVITY)

The responsibilities involve effective management of Industrial Engineering, Central Resource Planning and Central Purchase Departments to maximise productivity and cost efficiency of the organisation.

The successful candidate would be an Engineering Graduate with a Post-graduate qualification in Industrial Engineering or an MBA from a reputed institute, with over 10 years Industrial experience.

GENERAL MANAGER

(TECHNICAL)

The incumbent will head the Toolroom and the Process Engineering functions. The ideal candidate would be an Engineering Graduate with thorough knowledge of design and manufacture of sophisticated moulds, press tools and SPMs. The candidate must have over 10 years experience in a reputed organisation. It is essential that he be an innovator who can provide technological leadership to the group.

GENERAL MANAGER

(PERSONNEL)

The responsibilities involve handling the H.R.D. and I.R. functions at Nasik Plant and playing an advisory role in respect of all personnel functions for the Jalgaon and Nagpur Plants.

Candidates should have Post-graduate qualifications in Personnel Management from any reputed institute, with over 10 years experience, but more importantly have the capability to initiate new directions in H.R.D. and I.R.

All the positions report to the Executive Director. The compensation package will not be a limiting factor for the right candidates.

Please apply within 12 days with complete bio-data to:

The Executive Director
V.I.P. INDUSTRIES LTD.
78-A, MIDC Industrial Area, Satpur, Nasik 422 007

Our client, a company in the manufacture of SSP fertilisers and sulphuric acid, with an annual turnover of Rs. 10 crores, requires the following senior personnel, to be based at its Head Office, at Nagpur.

CHIEF EXECUTIVE OFFICER

NS/P/114 Attractive Salary + Housing +

The incumbent shall be responsible for the overall profitability of the Company and will oversee all commercial areas including materials, finance; sales, personnel and administration.

He will deal with the FICC, MMTC and other government organisations at a senior level. The candidate should have at least 15 years' experience with 5 years in similar positions, preferably in the fertiliser industry.

ACCOUNTS MANAGER

NS/P/115 Attractive Salary

The incumbent shall be responsible for financial accounting, working capital management, financial controls, costing and management reporting.

Candidates should be Chartered Accountants, preferably with an additional qualification in Costing and should have at least 7-8 years' experience.

MATERIALS MANAGER

NS/P/116 Attractive Salary

The incumbent will be responsible for all aspects of materials management and inventory control. He will be expected to liaise with the MMTC, transporters and C&F agents. Candidates should be graduates with a diploma in materials management and should have at least 7-8 years' experience.

The Company offers good growth prospects in addition to an excellent compensation package, comparable to the best in the industry.

Please apply within 7 days,giving details of age, qualifications, experience and salaries drawn,to:

N.A. SHAH ASSOCIATES
4, Sailor Building,
373, D.N. Road,
Bombay 400 001

CLEA

N.A. Shah Associates

ABC's major specialisations include Corporate Consultancy • SWOT Analysis • MIS • Operations Research • Industrial Engineering • Software Packages • Project Reports • Organised Cost Reduction • Materials Management • Data Processing • Insurance Consultancy • Systems & Procedures • Systems & Procedures • Socio-Economic Studies

LARGE INDUSTRIAL GROUP

FINANCE & ACCOUNTS PROFESSIONALS

Our client is a fast growing and reputed Business House comprising of several joint venture companies and diverse business interests in Chemicals, Engineering, Electronics, Financial Services, etc. with a turnover of around Rs. 250 crores. The Group provides a professional & congenial work environment and recognition to achievement oriented individuals. They are on the lookout for high calibre Finance & Accounts professionals for their Engineering & Chemical companies.

MANAGER — FINANCE

Madras **Excellent Terms**

The incumbent will report to the General Manager — Finance and closely interact with Accounts Managers of various divisions/companies. He will be responsible for interaction with banks and financial institutions, funds management, risk management and direct & indirect taxation.

Candidates should be Chartered Accountants/MBAs (Finance) with 6-8 years relevant experience in reputed companies,preferably in multi-unit organisations. High degree of professional competence, initiative & drive and exposure to computerised systems essential. Age: 30-35.Code: MFE/MDS/24.

MANAGERS/ASST. MANAGERS

Works Accounts

Chemical & Engineering Units

Tamil Nadu — Major Towns **Excellent Terms**

The positions will be based at the plants and the incumbents will assume total accountability for works accounts handling a sizeable turnover. Responsibilities will include works accounting, cost analysis, excise formalities & records, capital expenditure review, stores, MIS, etc.

Candidates should be Chartered Accountants/Cost Accountants with 3-5 years relevant experience in reputed chemical/engineering companies. Strong systems orientation, good communication skills and exposure to computerised accounting essential. Age: 26-30. Code: MAM/MDS/25.

The Group offers an attractive compensation package with liberal benefits comparable with the best in the corporate sector.

Apply within ten days with detailed bio-data marking envelope & application with appropriate job title & code. ALL APPLICATIONS WILL BE TREATED IN STRICT CONFIDENCE.

Personnel Selection Division

ABC CONSULTANTS PRIVATE LIMITED

4, Jagannathan Street, Madras 600 034. Tel. 470778

New projects
New opportunities

L&T – India's multi-dimensional industrial organisation is a technological leader in key, high-growth areas. As part of the Company's wide ranging expansion plans, we propose to set up major projects with substantial investment for the manufacture of :

- **Textile machinery**
- **Glass containers**
- **Metal containers**
- **Plastic containers/closures, films/laminates, drums**
- **Plastic pipes, profiles, automotive moulded components**

To head these projects we require :

Project Managers

Successful candidates will be responsible for planning, coordination and implementation of projects from initiation – within the specified time and cost frame. After successful implementation of the projects, the Managers may be assigned charge of the manufacturing operations.

These are senior appointments with very good prospects for career advancement.

Qualifications: Degree in Mechanical Engineering. Post-graduate qualifications in production management desirable.

Experience: 12-15 years, including at least five years with independent responsibility for project planning and implementation in an industrial organisation. Experience in relevant fields desirable.

Age: around 35 years.

Emoluments: commensurate with qualifications and experience. Perquisites include car under the Company's car scheme, housing subsidy, medical benefits, leave travel assistance, furniture loan, provident fund, superannuation, gratuity ...

Apply within 15 days, stating age, qualifications, experience, salary drawn and expected, quoting Ref. No. CPD/153 ON APPLICATION AND ENVELOPE to Manager – Recruitment, Central Personnel Department:

LARSEN & TOUBRO LIMITED
Powai Works, Post Box 8901, Bombay 400 072

L&T/ADV Dept 009

CAREERS WITH

SIL Supreme Industries Limited

PROJECT MANAGER

for their new Petro-chemical Complex

We are a multi-product, multi-unit and progressive organisation. We are known for our vision, dynamism and leadership in the Plastic Processing Industry. Our turnover is over Rs. 900 million with an enviable track record of 30% growth p.a. We have ambitious plans of growth and diversification. The Company's products are widely accepted and have a strong R&D base for product innovation and quality upgradation.

Now, we have received a letter of intent to manufacture 80,000 tpa of **STYRENE MONOMER** and 40,000 tpa of **POLYSTYRENE.**

The new company will be known as **SUPREME PETROCHEM LIMITED.** The complex will be located in Raigad Dist., (Maharashtra) envisaging an investment of over **Rs. 1600 million.**

We are looking for a dynamic and result oriented person who will be responsible for concept, planning and time-bound implementation of the **new project.**

This is a Senior Management position. The candidate will be about 40/45 years of age and hold a **Bachelors/Masters Degree in Chemical Engineering** from a reputed Institution/University. He should have minimum 15 years experience in a Petro-chemical complex, five years of which shall be as Plant/Process Manager.

The incumbent will shoulder total responsibility, initially in terms of project work involving process selection, discussion with foreign collaborators, liaison with Govt. authorities, finalisation of contractors, ensuring timely completion of the project. Thereafter, he shall head the Management Team running the Plant efficiently and profitably.

Besides technical skills and techno-commercial aspects, he should possess administrative skills and will need to develop, guide, direct and motivate the Senior Management Team and create an environment for effective management besides subordinate growth in accordance with Human Resources Policy of the Company.

Remuneration package will be very attractive and is an unlikely constraint for the right candidate.

Please send resume in confidence within 15 days, superscribing the envelope 'PM' to:

The Managing Director,
THE SUPREME INDUSTRIES LIMITED,
612, Raheja Chambers, Nariman Point,
BOMBAY-400 021.

AMERICAN EXPRESS ® TRAVEL RELATED SERVICES
An American Express company

MANAGEMENT CAREERS WITH AMERICAN EXPRESS

The Travel Related Services Division of the American Express Bank Ltd., a world leader in its product lines, needs the following personnel to strengthen its management team at **Delhi, Bombay** and **Calcutta**. The division offers a wide range of products including **travel services, travellers cheques** and **card** and has a result oriented working environment where performance is recognised and initiative rewarded.

TERRITORY MANAGERS

Age: Below 28 years **Rs. 75,000 p.a.**

Territory Managers are responsible for achievement of targeted sales of card, travellers cheques and travel services in an aggressive and competitive market. The incumbent would also be expected to contribute to the marketing function through special assignments and researching and implementing business opportunities.

Applicants should be MBAs from reputed institutes with atleast 3 years of hardcore sales experience in a competitive industry. Applicants with less than 3 years experience may be considered for entry level management position in the sales & marketing function.

TRAVEL COUNSELORS

Age : Around 28 years **Rs. 65,000 p.a.**

Travel Counselors are responsible for providing high quality travel services to the company's institutional and corporate clientele through excellent customer service and cross selling of the company's wide range of travel related products.

Applicants should be graduates with atleast 5 years experience in the travel industry with a high degree of initiative and social skills. Outstanding applicants with less than 5 years experience may be considered for junior positions in the travel function.

FINANCIAL ANALYSTS

Age : Below 28 years **Rs. 58,000 p.a.**

The job would involve budgeting, accounting and financial management or coordination of corporate card operations, implementation and maintenance of on line MIS, client risk analysis, billing, receivables and customer services.

Applicants should be CAs or MBAs from a reputed institute. Exposure to computers is preferred. CAs confident of qualifying by January 1990 may also apply.

MSG

Please apply within 10 days giving full details including current compensation, location preference and contact telephone numbers along with a passport size photograph to:

MR. S. BASAVARAJ
Director
MANAGEMENT SERVICES GROUP
14, Kautilya Marg, Chanakyapuri
New Delhi-110021

Comet Steels Limited

CSL
STEEL STRIP

Comet Steels Limited is a professionally managed company and has a modern Cold Rolling Mill Complex at Nanded in Maharashtra. The Company has recently implemented a modernisation programme and is now poised to double its capacity. As a part of its expansion plans, the Company requires the following personnel to reinforce its marketing set up.

Sales Manager — Bombay

The candidate should be a Mechanical/Metallurgical Engineer with a postgraduate degree in Marketing. The job involves the formulation and implementation of sales strategies, coordinating with Branches and Factory, and market development. Accommodation will not be provided.

Dy. Manager (Sales)/Branch Manager — New Delhi/Bangalore

The candidate should be an Engineer with a postgraduate management qualification. The job involves achieving sales targets, monitoring credit, coordinating with Head Office and Factory. He will be responsible for market development in the Northern/Southern region.

Asst. Manager (Sales) — Bombay/Pune/Kanpur/Calcutta

The candidate should be an Engineer with a postgraduate management qualification. The job involves sales management in the respective territories.

Senior Sales Executives — Delhi/Ludhiana/Bangalore

Candidates should be graduates preferably Engineers.

For all the above posts, experience of minimum 4-5 years in industrial marketing of steel related products is essential.

Salary will be commensurate with experience and qualifications, and will not be a constraint for the right candidate. The Company offers good growth prospects.

Please apply with complete details within 15 days, superscribing the envelope with the post applied for, to:

Personnel & Administration Officer
Comet Steels Limited
Chander Mukhi, 10th Floor, Nariman Point, BOMBAY 400 021.

CLEA

HOUSE OF PERFUME, an established group of companies headquartered in Dubai, United Arab Emirates has been selected by the Kenyan authorities to manage and operate the Duty Free Complexes in Nairobi and Mombasa International Airports. As it is a major project, we have vacancies for outstanding individuals who can contribute in successfully building up this project and grow along with it. The positions are :

BRANCH MANAGERS – NAIROBI/KENYA

The Branch Managers will be independently responsible for the day to day operations and efficient management of the branch. They will be expected to contribute significantly to setting and achieving sales targets, monitoring sales of individual products and identifying fast/slow moving products, pricing of products, etc., besides identifying methods of improving throughput and quality of service in the branch. They will be assisted by a team of marketing executives who will be individually responsible for the outlet(s) assigned to them.

Candidates will preferably be MBAs from reputed business shools and will have at least 10 years experience in sales and marketing of fast moving consumer products. Candidates who have relevant experience of managing similar up-market retail operations will have a distinct advantage. The preferred age is 35 - 40 years.

EXECUTIVE CO-ORDINATORS – DUBAI

These positions report to the General Manager and are based at the head office in Dubai and the selected candidates will be primarily responsible for acting as the link between the overseas project management teams and head office. They will be expected to design and set up management reporting and control systems, review performance reports and co-ordinate any support services required from the head office.

Candidates will be MBAs from reputed business schools and will have background in management accounting and project management, preferably in consumer products marketing organisations. They must have at least 5 years experience at a middle management level. The preferred age is 35 - 40 years.

MARKETING EXECUTIVES – NAIROBI/MOMBASA

The positions report to the Branch Manager and each individual will be assigned the responsibility of one or more outlets and he will be responsible for supervising the sales persons, ensuring effective service to the customer, monitoring the movement of products, requisitioning fresh stocks, improving shelf displays, etc. Candidates will be graduates from reputed universities and will preferably have a diploma in Marketing. They must have around 2 - 3 years supervisory level sales and marketing experience in large consumer products marketing organisation, preferably in retail operations. The preferred age is 23 - 30 years.

The ability to communicate effectively in English, a good personality and proven man management skills are essential pre-requisites for these positions. Candidates having relevant experience in up-market retailing organisations, preferably in an international environment, will have a distinct advantage .

In addition to an attractive and suitably structured salary, the Company will provide furnished family accommodation, company maintained car (except in the case of Marketing Executives), annual leave passage for the family, and end of term benefits.

Please apply in strict confidence within 7 days to :

HOUSE OF PERFUME

P. O. BOX 297
DUBAI
UNITED ARAB EMIRATES

giving full details of age, qualifications, experience and salaries drawn along with a recent passport size photograph. All envelopes should be superscribed with the post applied for.

Walmi

M. P. WATER AND LAND MANAGEMENT INSTITUTE BHOPAL

(BUREAU OF AGRICULTURE STATISTICS AND ECONOMICS)

A Bureau of Agriculture Statistics and Economics is being sponsored as an independent cell by the State Water & Land Management Institute (A Govt. of M.P. undertaking set up with the assistance of U.S.A.I.D.). This Bureau will service almost all the Govt. Departments and their organisations concerned with agriculture and allied activities. It will be required to prepare projects, evaluate projects, do cost analysis, Data processing etc.

2. The requirement of posts with qualifications and maximum age is as follows :-

(i) DIRECTOR (PROJECTS)

Qualification :

Essential : Masters Degree/Diploma in Management from institutes of repute namely IIM's, IRMA.

Desirable : Higher qualification in their respective fields.

Experience : At least 7 years experience in a senior capacity in related field preferably in the rural/agriculture sector.

Age : 45 years or below.

(ii) DIRECTOR (STATISTICS)

Qualification :

Essential : Masters degree in Statistics/Agricultural statistics or allied discipline with Biometrics as a major subject.

Desirable : Degree in Computer Science

Experience : Minimum 7 years experience in similar capacity.

Age : 45 years or below.

(iii) DIRECTOR (COSTING)

Qualification : Masters degree in Economics with degree/diploma in Management from institutes of repute namely IIM's IRMA.

Experience : Minimum seven years experience in relevent field.

OR

Qualification : Associate Member of The Institute of cost & works Accountants of India or Associate Member of The Institute of Chartered Accountants of India.

Experience : Mimimum seven years of relevent experience in Agriculture or allied sector.

Age : 45 years or below

Note - For all categories upper age limit may be relaxed for the candidate with exceptionally higher qualification and/or experience.

3. The posts will be in the scale or Rs. 3700-5000 plus dearness allowance as per State Government norms. (likely to be revised soon on Central Government Pay scale pattern). In addition, they will be entitled to HRA/Subsidised housing, orderly and Conveyance Allowance, medical reimbursement, leave benefits and other incentives as per the rules of the Institute from time to time. In case of exeptionally qualified & experienced candidate, higher start will be considered.
4. Other things being equal, preference will be given to SC/ST Candidates.
5. Interested persons who wish to apply for any of the above posts should send application on plain paper with complete Bio-Data by 6th Nov. 1989 at the following address :-

THE DIRECTOR, M.P. WATER AND LAND MANAGEMENT INSTITUTE (WALMI) WALMI FARM CAMPUS, NEAR KALIASOTE DAM SITE, POST BAG NO. 38, RAVISHANKAR NAGAR, BHOPAL 462 016 (M.P.)

DIRECTOR, WALMI

ATUL PUBLICITY

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SENIOR PERSONNEL

for its joint venture project with NIXDORF COMPUTER of West Germany, being set up in NASIK/PUNE in Maharashtra, for the manufacture of Computers.

PROJECT MANAGER

Should preferably be an Electronics Engineer between 32-40 years of age, with experience in Project Management of Computer/Electronics manufacturing projects. This should include conceptualisation, production and implementation of projects. Familiarity with Technology transfer, Government licensing and Financial Management is essential.

WORKS MANAGER

Should be an Electronics Engineer between 32-37 years of age with indepth experience in manufacturing and Quality Assurance in the Computer/Electronics industry and the expertise to ensure quality products at a competitive cost, within committed time schedule.

MATERIALS MANAGER

Should be preferably an Electronics Engineer, between 32-37 years of age with experience in materials procurement, vendor development and sourcing of Computer/Electronic components from indigenous and imported sources. Should be fully conversant with Import Licensing, Excise, Sales tax, Octroi and related functions. Sound commercial abilities and knowledge of computerised inventory control is desirable.

INDUSTRIAL ENGINEERING MANAGER

Should be preferably an Electronics Engineer in the age group of 32-37 years with experience in Production Engineering, Plant Engineering, Facilities and Methods Planning in the Computer/Electronics industry.

QUALITY ASSURANCE MANAGER

Should be preferably an Electronics Engineer in the age group of 30-35 years, with experience in developing a Quality Assurance system and ensuring adherence to established standards, inspection and testing of Electronic/Computer components, sub-assemblies, equipment and products and Quality audit.

Applicants should have the capacity to lead a team and the drive to contribute to the establishment and growth of the unit. The compensation package will be attractive and the environment will be stimulating. Selected candidates will be sent abroad to the collaborators' Works for training.

Interested candidates may please apply with complete biodata, superscribing the envelope with the code: CG-NIX to:

The General Manager
(Human Resources Development)
Crompton Greaves Ltd.
1, Dr. V.B. Gandhi Marg,
Bombay 400 023.

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We are a large multi-unit, multi-product group with interests in CONSUMER ELECTRONICS, HOME APPLIANCES, ELECTRONICS COMPONENTS, TRADING etc. backed by technological support from world leaders in various product lines. Our own team of over 1200 personnel comprises large numbers of professionals in various disciplines including engineering, management, accounting etc. Of these, around 300 personnel are Degree/Diploma holders in engineering, accounting for our service, production, R&D,QC and other technical functions. In addition, there is a large segment of certificate-holders on the production lines and in other technical areas. We are now poised for a major expansion and diversification in our activities with fresh investments of around Rs.50 crores in the coming 18 months. With this, our gross turnover is expected to cross Rs. 500 crores in the next 3 years.

We are looking for Senior Managerial Personnel for our service and production functions in various units of our group companies in and around Delhi. The incumbents shall be responsible for the total service/production functions and shall be supported by a large and competent team of technical personnel.

First class electronics engineers with atleast 10 years experience in service/production functions in organisations of repute would be suitable. Sound technical knowledge and an excellent track record in meeting difficult targets, man-management and an innovative approach to solving technical problems would be decisive factors in selection. Preferred Age Group : below 35 years.

The terms mentioned above are indicative and can be negotiated to match the merits. Please apply within 10 days with full biographical details and record of achievements alongwith a recent passport size photograph to :

Box No. AA/304/LK/5, **Business India**, 59, Regal Building, Connaught Circus, New Delhi 110 001.

All applications will be treated in strict confidence.

AMERICAN EXPRESS® TRAVEL RELATED SERVICES

An American Express company

SYSTEMS ANALYST

New Delhi **Rs. 65,000 p.a.**

The Travel Related Services Division of American Express Bank Ltd. is in the midst of implementing state-of-art DBMS in a mini computer environment. India will also operate as a node for the American Express international communications network based on IBM mainframes located in various parts of the world. The division not only offers excellent career growth but also an opportunity to gain diverse experience in state-of-art systems technology.

The systems analyst would be responsible for devising data processing solutions to business needs, detailed system design, liaison with software consultants and hardware vendors, preparation of program specifications, implementation of systems and ensuring user satisfaction.

Applicants should be Engineers or MBAs below 28 years of age and have atleast 2 years experience with mini computers in the area of application software design and development in a relational data based environment using a 4th generation language. Knowledge of COBOL programming is essential. Experience on DEC equipment (MICROVAX) would be preferred.

American Express offers an attractive compensation package which compares with the best in the industry. Compensation will not be a constraint for the right individual.

Please apply within 10 days giving full details including current compensation and contact telephone numbers along with a passport size photograph to:

Manager
Human Resources Development
American Express Bank Ltd.
Travel Related Services
8th Floor, Hindustan Times House
Kasturba Gandhi Marg
New Delhi-110001

(All envelopes should be superscribed 'SA')

AMERICAN EXPRESS® TRAVEL RELATED SERVICES

An American Express company

SPECIALIST INDUSTRIAL RELATIONS

Age: Below 35 years **New Delhi**

The Travel Related Services Division (TRS) of the American Express Bank Ltd., a world leader in its product lines, needs an Industrial Relations specialist to strengthen its Human Resources team. TRS has a high quality work force of about 250 employees and operates in a challenging results oriented working environment. The workmen staff at TRS are covered by the Banking industry bipartite settlements and awards.

Reporting to the Manager Human Resources - India & Area countries, the selected person would initially be expected to handle union negotiations, liaison with government/labour authorities, ensuring compliance with labour law requirements, developing programmes for staff motivation, handling employee grievances and delivering IR related training programmes. Extensive travelling, including overseas trips would be required. The scope of the responsibilities encompass India and Area countries.

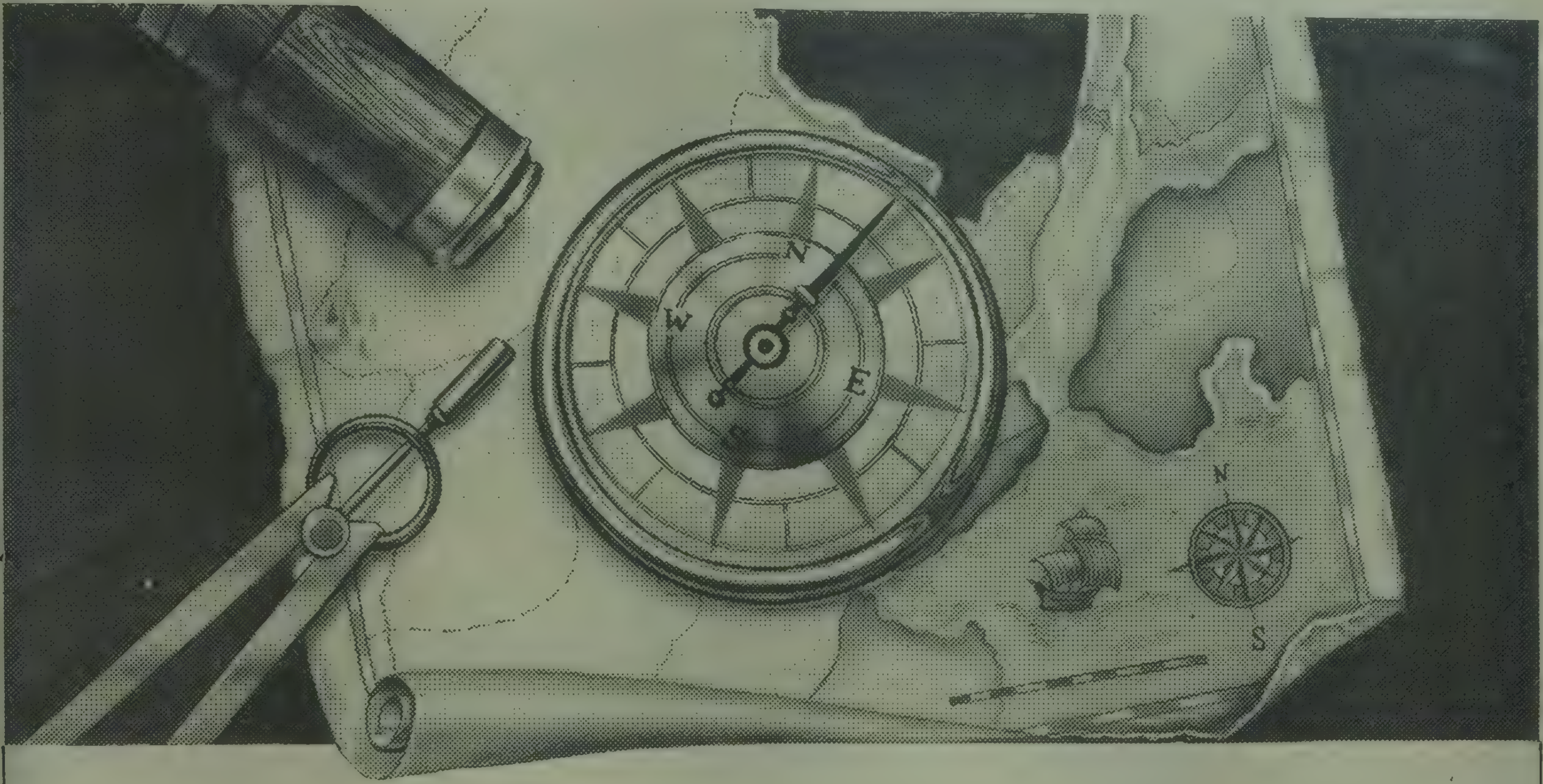
Applicants should have post graduate qualifications or diploma in Personnel & Industrial Relations with atleast five years experience, preferably in the Banking Industry. Strong communication and interpersonal skills are a prerequisite.

The compensation package is comparable to the best in the market and will not be a constraint for the right individual.

Please apply within 10 days giving full details including current compensation and contact telephone numbers, along with a passport size photograph to:

Mohan Kumar
Manager - Human Resources-India & Area
American Express Bank Ltd.
Travel Related Services
8th Floor, Hindustan Times House
Kasturba Gandhi Road
New Delhi-110001

(All envelopes should be superscribed 'S/IR')



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Sundaram-Clayton and its associate companies are on the look-out for unusual professionals.

Professionals who will clearly plan ahead. Who will analyse, predict and project future market trends and areas of opportunities. Who will steer the company in the right direction.

Be it current operations, expansion programmes, future growth or profitability.

Business Planning Manager

You will be an Engineer with Post-Graduate, management qualifications, with at least 3 years' experience in a similar position.

You will be responsible for strategy planning, analysis of business trends and will be expected to identify growth opportunities and undertake appropriate feasibility studies.

A thorough understanding of the industry and its trends, coupled with exposure to market and financial analysis is essential.

It will be an added asset, if you have had experience in the selection and finalisation of foreign collaborations.

You will be located at Pondicherry, Tumkur, Hosur or Bangalore.

The post offers excellent growth opportunites, based on merit. And salary will be one of the best in the industry, to attract the right talent.

Interested candidates may apply with a resume on A4 size paper to:

Assistant General Manager — HRD
Sundaram-Clayton Limited
Jayalakshmi Estates, 8 Haddows Road, Madras 600 006.

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In the past we have produced programmes like Quiz Time, Geeli Mitti, Keep Fit and Pradakshina and our plans for the future are even bigger. We will be entering the video market in a big way, with the best micro-processor equipment at our disposal and the fire of people like you.

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All we need from you is a quick mind and a contempt for the word 'Impossible'.

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CREATIVE DIRECTOR You are sharp and full of ideas. With a wealth of experience and a bent towards the uncommon. Your speciality is idea generation and script writing for film projects and you have a fair knowledge of production, direction and technical aspects too. **PRODUCTION MANAGER** You have been executing various projects successfully within budgets and time schedules. You have a fetish for quality and are committed to your work. Your administrative skills and knowledge of the latest film techniques are sound. **MANAGER FACILITIES** You will manage the studio as an independent profit centre. Charge of sophisticated micro processor equipment will be under your supervision. You already have 5-7 years experience in servicing micro-processor based equipment. You could also be an ex-serviceman from the electronics branch in the Services. So, if you feel like an exciting challenge, contact us. The package we offer is tempting and the job we are offering is exciting.

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Independent Television Co.
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E-4, Hauz Khas Village
New Delhi-110 016
Ph : 652094 & 656085

iTV

P.S. Ajjan
General Manager-Personnel
Dalmia Bros. Pvt. Ltd.
Personnel Services Division
609, Devika Towers, 6, Nehru Place
New Delhi-110 019
Ph: 6463851 & 6463850

GOVAN ITV'86

EAST WEST

CHEMICALS DIVISION

We are a fast growing professionally managed Company representing a number of well known overseas Corporations in India, in a variety of industries including Chemicals, Petrochemicals, Petroleum and Fertilizers. Our growth has been unprecedented and is continuing at a phenomenal rate.

We have an excellent work environment and a team of young and dedicated professionals. We are now looking for similar individuals to fill various positions in the Organisation. Compensation would be such as to attract the best possible talent.

SENIOR SALES EXECUTIVES

(Delhi)

We are seeking Chemical Engineers with 4/6 years experience in marketing of raw materials in Chemicals/Petrochemicals/Oil/Fertilizers industries. These are very challenging posts with excellent growth prospects.

SALES EXECUTIVES

(Delhi, Bombay & Calcutta)

We are seeking graduates with 2/3 years experience in Industrial/Commercial Sales preferably in Petrochemicals, Oil or Fertilizers industries. Candidates must be willing to travel and to relocate if necessary.

MANAGEMENT TRAINEES

(Delhi & Bombay)

We are seeking fresh Science graduates who are interested in a career in marketing of Chemicals, Petrochemicals, Oil or Fertilizers.

Please reply within 7 days to:

EAST WEST REPRESENTATIVES COMPANY PRIVATE LIMITED
C 5, Qutab Hotel, New Delhi 110 016

Envelopes and applications should be clearly marked with post applied for

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ROLE: Market development through introduction of networking concepts t decision makers in Financial Institution Office Automation / On-Line Transacti Processing environment; achieving sc targets through sale of Datacommunication products; and coordinating the implementation of r Datacommunication projects.

REQUIREMENTS: Electronic Enginee with excellent communication skills a experience in concept selling in Electronics / Computer industry. Prior

erience in dealing with consultants,
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at advantage.
Candidates with over 3 years' relevant
erience will be considered for Senior
tion.

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ven track record. Those with
erience in Computer /
acommunication equipment
ntenance would be preferred.

he position calls for extensive
raction with customers and will require
d communication and interpersonal
.

Candidates with over 3 and 5 years'
vant experience will be considered for
or and Specialist positions
ectively.

SYSTEMS ENGINEERS

BOMBAY • DELHI • BANGALORE

E: As a Datacommunication and
vork Design Specialist, the pre-sales
se involves customer education on
vorking standards; assessing traffic
erns and requirements of Network
onse, redundancy, etc; configuring
communication products to interface
customer's computers and
munication media; matching and
onstrating product capabilities to
t customer needs.
ost-sales responsibilities will include
ing and systems implementation.
Customer acceptance of the
vorking solution and good referrals
performance measures.

UIREMENTS: Electronics /
communication / Computer Engineers with 2 years' work experience in Networking environment in similar position or as Systems / Service Engineers. An analytical frame of mind and interest / awareness of developments in Informatic Technology are required.

Candidates with experience in implementing or maintaining Datacommunication in On-Line / Distributed Dataprocessing / Office Automation projects will be preferred.

Position calls for extensive customer interaction and hence good communication and interpersonal skills are a must.

Candidates with over 3/5 years of experience will be considered for Senior and Specialist positions respectively.

CUSTOMER SUPPORT MANAGER

BANGALORE

ROLE: Customer Support is the secret of our sustained success and leadership in the field. To strengthen this tradition we require a Manager to lead trained and highly motivated hardware Support Engineers involved in pre & post Sales Support. Performance measures will be Customer Satisfaction and Profitability.

REQUIREMENTS: Managers with 7 years' experience in hardware support in the Computer / Office Automation / Datacommunication Industry of which at least 3 years should have been in a managerial role. Electronics Engineering background is a must.

SALES MANAGERS

BOMBAY • DELHI • CALCUTTA • BANGALORE

ROLE: To develop market for Datacommunication products and gain substantial market share in assigned areas; to achieve Sales, Profitability and Customer Satisfaction goals; and to manage and motivate a team of trained Sales Personnel.

REQUIREMENTS: Managers with 7 years' Sales experience in Computer / Office Automation / Datacommunication Industry of which at least 3 years should have been in a managerial role. Electronics Engineers / MBAs with relevant experience will be preferred.

SYSTEMS ENGINEERING MANAGER

BANGALORE

ROLE: Will be responsible for providing us competitive edge by converting Datacommunication Technology into innovative marketable networking solutions. This involves:

– Evolving application engineering strategy for developing market share in identified market segments, such as Financial Institutions / Office Automation / On-Line Transaction Processing environments.

– Playing an influential role in developing networking standards.

The Manager will lead and manage a team of Systems Engineers.

REQUIREMENTS: Electronics Engineers with 5/7 years of relevant experience in Datacommunication / Networking / Office Automation environments and ability to coordinate a team of Engineers.

MARKETING MANAGER

DELHI • BANGALORE

ROLE: To consolidate and expand our leadership position in Datacommunication market through:

- Develop and implement, marketing strategies,
- Business development
- Marketing communication,
- Export marketing.

EXPERIENCE: Successful marketing experience in Computers / Office Automation Industry. Electronics Engineers / MBAs from a reputed Company with a total 15 years' and 7 years' sales / marketing management experience will be preferred.

Please apply within 10 days to
Manager – Personnel, Blue Star Limited,
Sahas, 414/2 Veer Savarkar Marg,
Prabhadevi, Bombay-400 025.
For further details, Phone (022) 4306155.

★ BLUE STAR
the hi-technology Company

Rediffusion/BS/7887 a

Bongaigaon Refinery & Petrochemicals Limited

(A Govt. of India Undertaking)

P.O. DHALIGAON, DIST. KOKRAJHAR (ASSAM) – 783 385

Bongaigaon Refinery & Petrochemicals Limited is a wholly owned Government of India Undertaking under the administrative control of Ministry of Petroleum and Natural Gas.

BRPL processes Assam crude in its integrated Refinery-cum-Petrochemicals Complex located at Dhaligaon, Assam.

Apart from standard fuel products, BRPL manufactures highly sophisticated petrochemical products, such as, Xylenes, DMT and Polyester Staple Fibre. The petrochemical products are marketed by BRPL through its well established all India network.

The present total turnover of the Company is around Rs.340 crores which is planned to grow to Rs.450 crores in the next 3 years.

To co-ordinate some of the key marketing activities in Petrochemicals, BRPL needs a live-wire:

CHIEF MARKETING MANAGER

SCALE OF PAY : Rs.2250–2750/- (Pre-revised Central DA)

PLACE OF POSTING : DELHI

JOB DESCRIPTION : This is a Senior level position reporting to Director (Commercial). A young team of Sales and Technical Executives will report to him. The incumbent will be responsible for marketing activities of the Company in Northern, Western, Southern and Central Regions. The job includes :

– Evolving sound marketing policies and strategies, both for national and international markets keeping pace with the changing marketing technological and economic environments worldwide

– Effectively meeting customer requirements including technical services

– Coordination with Head Quarters for production planning, movement, market complaints etc. and all other policy matters

The candidate should be innovative, dynamic, and result oriented with persuasive skills in a highly competitive market environment prevailing today.

QUALIFICATIONS : A degree in Engineering/MBA with specialisation in marketing from a recognised University/Institute.

EXPERIENCE : 15–20 years (Relaxable by 2 years for SC/ST candidates) of experience with a proven track record in the marketing of industrial products preferably man-made fibre, out of which 7 to 10 years should be in a senior Management position. Experience in Spinning/Textile mill will be an added advantage

AGE : 40–45 years (Relaxable by 5 years for SC/ST). Relaxation of upper age limit by 6 years for those candidates who actually resided in the State of Assam between 1 1.80 to 15.8 85 as per rule

REMUNERATIONS : Total emoluments inclusive of Basic Pay + DA + IR + HRA + CCA, at the minimum and maximum will be Rs.6847/- and Rs.8100/- approx. p.m. respectively. In addition, attractive fringe benefits like medical facilities for self and family, CPF, Gratuity, Group Savings Linked Insurance, Group Insurance, LTC, Conveyance reimbursement etc. will be available as per Company's rules.

Typed application on plain paper details of Date of Birth, Mailing address, Whether SC/ST, Qualifications with Year of passing; Name of Institution and division / marks, Experience indicating the Name of Organisation served, Period, Designation, duties performed and particulars of Salary drawn, accompanied by attested copies of certificates / testimonials, a recent passport size photograph and crossed IPO of Rs.10/- drawn in favour of BRPL, Dhaligaon (not required for SC / ST candidates), superscribing the envelope with the post applied for should reach the **Dy. Personnel Manager (Recruitment), Bongaigaon Refinery & Petrochemicals Limited, 1st Floor, Surya Kiran Building, 19 Kasturba Gandhi Marg, New Delhi** within 20 days from the date of publication of this advertisement.

Candidates working in Govt. / PSU should apply through proper channel. Candidates called for interview will be paid single A.C. 1st Class rail fare both ways by the shortest route.

Specifications can be relaxed at Management's discretion.

Those drawing emoluments less than Rs.5000/- or working in a pay scale lower than Rs.2000–2500/-* (Pre-revised Central Govt. scale) need not apply.

ONLY INDIAN NATIONALS NEED APPLY,

Advt. 7/89

PRESSMAN

Coal India Limited

(A Government of India Enterprise)

Needs

Chief – Corporate Communications

Coal India Limited is looking for a competent professional to work as Chief– Corporate Communications at Corporate Headquarters at Calcutta.

The incumbent should possess a University Degree with a post-graduate Degree or Diploma in Public Relations/Journalism/Advertising from a recognised Institute. He should have served a large Public or Private Sector Organisation in senior executive position and have experience in corporate communication comprising Public Relations, Advertising, Sales Promotion, Exhibitions, Audio-visual with at least three years experience as head of the Corporate Public Relations set-up. Selected candidate may be placed in Company's scales as under:

Grade	Scale of pay	Total monthly emoluments	Post qualification experience	Upper age limit as on 1st Sept '89
E-6	Rs.2700-100-3500/-	Rs.4650/-	15 yrs.	45 yrs.
E-7	Rs.2800-100-3600/-	Rs.4800/-	18 yrs.	50 yrs.

Benefits include House Rent Allowance, Conveyance Allowance, free medical treatment for self and family, Leave Travel Concession, Provident Fund, Gratuity etc. as per Company's Rules.

Candidates fulfilling the above norms may send their applications giving full details of qualification and experience alongwith crossed postal order of Rs.30/- (not required for candidates belonging to SC/ST community) payable to 'COAL INDIA LIMITED' to **Dy. Chief Personnel Manager(R), Coal India Limited,** 10, Netaji Subhas Road, Calcutta-700 001 **within 15 days.**

Those working in a Public Sector Undertaking or in Government organisation must apply through proper channel. Candidates called for interview will be reimbursed First Class return fare by the shortest route.

Advt. No. C-5A(i)/1989

SALORA

Deputy Directors R & D

The SALORA group provides Research facilities of International standard in the field of applied electronics and associated technologies. Housed in excellent premises near Delhi and equipped with such latest facilities as CAD, MDS computers etc., the group offers an excellent opportunity for Research Engineers to build up indigenous technology.

The group is planning to expand its operations for which purpose it is looking for Deputy Directors to head its following R&D divisions:

i) Consumer Electronics
ii) Computers and Professional Electronics
iii) Components and materials.

The persons selected should have outstanding academic record and thorough knowledge of their fields. They should at least be graduates in Electronics with minimum 10 years result oriented experience. A flair for innovation, and organising result-oriented research is essential.

For the post of Deputy Director, Consumer Electronics, a substantial part of the experience should be in the TV field. For Computers and Professional Electronics experience in Computer Hardware or Telecommunications is preferred. For Components and Materials, the preferred experience area is Deflection components or Tuners.

Please send your Bio-data including details of marks obtained from S.S.L.C. onwards, and particulars of R&D work already done to **The Chairman, E.C.P. Ltd., D-10/4, Okhla Industrial Area, Phase-II, New Delhi-110 020.**

Apply within 10 days.

SALORA SALORA SALORA SALORA

Ahmedabad Electricity Co. Ltd.

General Manager (Finance & Management Services)

The Ahmedabad Electricity Co. Ltd., a leading private sector power utility in Western Region, with assets of over Rs. 400 crores is looking for a General Manager to be in overall charge of the Company's Financial and Management Services. He will report directly to the Managing Director.

Prospective candidates could be in the age group of 45-50 years possessing C.A./I.C.W.A. qualifications with a minimum of 15 years' experience in handling financial management and control at a senior level in reputed companies. Candidates with additional qualification of MBA (specialisation in finance) will be preferred. This is a senior management position requiring considerable experience and exposure to accounting & finance systems and procedures and calling for a high degree of inter-personal and management skills.

The Company offers an attractive compensation package. The total emoluments would be around Rs. 1 lakh per annum plus car, free housing, and attractive retirement benefits.

Please apply within 15 days superscribing the envelope "Post of General Manager (F & MS)" to :

The Managing Director
The Ahmedabad Electricity Co. Ltd.,
Electricity House, Lal Darwaja, Ahmedabad - 380 001.

GENERAL MANAGER

Projects

for HOT ROLLED STRIPS
AND COILS PROJECT

ANDHRA PRADESH **ATTRACTIVE PACKAGE**

We are engaged in setting up a Rs. 250 crore, Hot Rolled Strips and Coils project with world renowned foreign collaboration. The plant has an initial capacity of 3,00,000 tonnes per annum, which is likely to be doubled in the second phase. The project is ready to take off and the Company is on the look out for a dynamic, result oriented General Manager.

The candidate should be atleast a B.E. or Mechanical Engineer with rich experience and an excellent proven track record in complete project implementation involving projects of similar size, using sponge iron or HBI as feedstock.

Attractive salary with perquisites will be offered.

Please apply in strict confidence with detailed bio-data, achievements and expectations, within 10 days of this advertisement to:

Box No. AA/304/AA/2
B-2, Ashiana Apts
Old Lancer Line
Behind Sangeet Theatre
Sarojini Devi Road
Secunderabad-500 025

FACOR

FERRO ALLOYS CORPORATION LIMITED

(The Largest Producer of Ferro Alloys in India)

NEEDS

MANAGER (PERSONNEL)

for its Corporate Office at TUMSAR (Maharashtra.)

The candidate should be a Post-Graduate Degree holder in Personnel Management and Industrial Relations from any recognised university.

Should have thorough knowledge of Labour Laws, Manpower Planning, Recruitment, Disciplinary Action besides dealing with Trade Union matters at a corporate level for at least 10/15 years in a large industrial undertaking.

Age: 40-45 years

The Company offers an attractive salary commensurate with qualifications and experience besides H.R.A., P.F., Bonus, Medical Reimbursement, Conveyance Allowance, L.T.C., Gratuity and Superannuation benefits, as per rules.

Interested candidates may send their complete bio-data, stating age, qualifications, experience, salary drawn and expected, alongwith a recent passport size photograph, within 15 days to:-

MANAGING DIRECTOR,
FERRO ALLOYS
CORPORATION LTD.,
SHREERAM BHAWAN,
TUMSAR-441 912.

ART-5422

PSIDC, a premier public sector undertaking having successfully promoted 73 industrial projects in Punjab, is setting up an Automobile Tyres & Tubes Project at Ludhiana, jointly with Metro Tyres Limited, an existing Tyres & Tubes Manufacturing Company with turnover of Rs. 100 Crores. Technical know-how for the project is being obtained from Soviet Union, who are providing their latest technology. Export to Russia is also envisaged. For fast implementation of the project, we are looking for :

PROJECT MANAGER

About the Job

It involves independently implementing and commissioning the project including building up a team of professionals, technology transfer, production and all other technical aspects relating to the Project.

About You

You should be a Chemical/Mechanical Engineer with atleast 10-15 years experience as head of production in a similar plant.

SECRETARY-CUM-FINANCIAL CONTROLLER

About the Job

It involves laying of accounting systems, Company Law, Costing, Financing of Project from the financial institutions, Public Issue and other allied matters.

About you

You should be a Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India with 8-10 years of post qualification experience. The experience should include dealing with financial institutions, raising Public Issue etc.

The emoluments are designed to attract the best talent in the industry and will not be a limiting factor.

Please apply in confidence within 7 days stating details of age, qualifications, experience, salary drawn and salary expected to:-

THE MANAGING DIRECTOR
INDO-SOVIET TYRES LIMITED
B-27, FOCAL POINT,
LUDHIANA-141010.

HEAD OF EXPORT DIVISION

Candidate should have a proven track record as a successful Export person; Possess business acumen and a desire to grow to boundless limits; Have a good academic background alongwith adequate knowledge and experience of Export business; Have all the ingredients to visualise opportunities, develop strategic plans, formulate and implement approved projects both as merchant as well as manufacturer exporter; Should be looking for a change. And challenge.

We are a large consumer product company affiliated to a well known American multi-national and Indian industrial organisations. Our turnover is in excess of Rs. 400 crores a year and is growing much faster than the Industry. Our business is run by a team of highly qualified, experienced and committed Managers.

We have taken the decision of becoming a major exporter within a span of 5 years. We have an Export Division and the same requires substantial thrust in promoting business to the desired level.

Compensation package would be attractive enough to motivate the person to be a part of our Management team. Please apply within 15 days to

Box No: AA/304/LG/1, **Business India,**
59, Regal Bldg., Connaught Circus, New Delhi 110 001.

ASSOCIATED DRUG CO. (P) LTD.,

(JAGDALE GROUP)

Associated Drug Company, a member of Jagdale Group, is engaged in the manufacture of high quality Bulk Drugs and Chemicals at Bangalore. The Company requires:

GENERAL MANAGER (TECH)

The selected candidate will be reporting to the Managing Director and be overall incharge of the factory operations. He shall be responsible for effective planning, achievement of production targets through optimum resource utilisation and maintenance of quality standards.

Suitable candidates will be Post Graduates with a Doctorate in Organic Chemistry. They should have a minimum of 10 years Post-Doctoral experience in the production of Bulk Drugs. Should be capable of trouble-shooting and resolving shop-floor problems in a bulk drug plant, with a sharp and quick brilliance.

Candidates with exposure to Hi-tech bulk drug plants manufacturing varied drugs, preferred.

Age around 45 years. Attractive terms offered which will match the best in the industry.

Please apply within 10 days giving full biographical particulars including name of present employer, current emoluments and a passport size photograph to:

The Group Personnel Manager
ASSOCIATED DRUG CO. (P) LTD.,
35, Sampangi Tank Road, BANGALORE - 560 027.

LUPIN

LUPIN is a large and well diversified group, with a strong presence in the area of ethical formulations, high-tech bulk drugs and agrochemicals with current year's planned turnover of Rs.200 crores. Excellent quality and competitiveness are the hallmarks of Lupin. Lupin is now entering other high-tech fields like fermentation bio-technology, surgical disposables, polymers, etc.

The necessary technical collaboration have already been arranged for fermentation based bulk drug projects. For heading the fermentation division, Lupin now requires a General Manager — Fermentation to be based at Bombay.

GENERAL MANAGER —
FERMENTATION

BOMBAY

EXCELLENT TERMS

The position reports to Vice President (Chemicals) and calls for assuming overall charge of planning, project implementation and efficient operation of the fermentation complex. Prime responsibilities will be to develop and finalise new project plans in fermentation, to provide effective leadership to the fermentation team in initial implementation and subsequent operation of the plant, to ensure successful operation of the fermentation division within the agreed cost parameters.

We are looking for a highly result oriented graduate/post graduate in Chemical Engineering/Bio-chemical Engineering/Microbiology, in the age group of 37-45 years, with at least 15-20 years of experience, of which 5-7 years should be of, senior level in Operation of fermentation plants in well managed companies. Must have successfully handled a variety of medium and large scale fermentation/chemical projects.

THE SALARY AND PERQUISITES WILL BE VERY ATTRACTIVE AND FULLY NEGOTIABLE.

Write in strict confidence within 15 days, to:

Dept. of Human Resources Management
Lupin Laboratories Limited
159 CST Road, Kalina, Santacruz (East), Bombay 400 098.

SENIOR MANAGEMENT PERSONNEL

If you have background of the level of –

DIRECTOR/CONTROLLER

in a reputed organization in the fields of Marketing and Business Operations, and are confident of providing leadership both to organization and business,

TECHNICAL ADVISER

(FORMULATIONS. BULK DRUGS)

We are looking for a Senior Level Technical Personnel in our Top Management Team. Candidate should :- ● Have broadbased technical knowledge and expertise, be well conversant with the latest advances and developments in the respective field, and should be acquainted with the latest regulations. ☐ Be capable of providing a lead to well qualified Chemists/Pharmacists for process development, production and planning & development of manufacturing facilities. ☐ Preferably have Post-Graduate Degree or Doctorate in Science or Pharmacy. ☐ Have valuable experience in the related fields, having age around 40 years.

Interested candidates should write within 10 days to :-

Joint Managing Director
Themis Pharmaceuticals Prop Chemosyn *CHEMOSYN LTD.*
38, Suren Road, Andheri (E), Bombay-400 093.

Dodsal

DODSAL GROUP OF COMPANIES

DODSAL Group of Companies, comprising DODSAL LIMITED, INDMAG LIMITED, CEDCO TECHNICAL SERVICES LTD. and INDOMAG STEEL TECHNOLOGY LIMITED, pioneers in the engineering, construction, trading and service sectors, are on the look out for result oriented key senior personnel for its Group Finance & Legal Cell at the Group Corporate Office in BOMBAY.

MANAGER (GROUP FINANCE & LEGAL CELL)

The incumbent will be responsible for all group financial and legal matters, viz; investment planning, taxation, FERA, Company Law and contractual matters related to investments.

Qualified Chartered Accountants in the age group of 35-40 years, with about 10 years relevant experience, preferably in multi-divisional companies of repute, will only be considered. Candidates with additional legal qualifications would be preferred.

The post carries attractive salary and perks commensurate with qualifications and experience and provides high growth opportunities.

Please mail your resume with a passport size photograph, superscribing clearly the post for which applied on the envelope, within 10 days to:

The Vice-President (Pers. & Admn.)
DODSAL LIMITED,
Naveen Complex (6th Floor), 14, M. G. Road, BANGALORE-560 001.

TRUMAC ENGINEERING COMPANY LIMITED

NEEDS

MATERIALS MANAGER

THE COMPANY : We are in the manufacture of Textile Machinery in participation with the world leader TRUTZSCHLER of West Germany. We belong to a growth oriented group of companies with intensive diversification. We offer a challenging work environment and an attractive remuneration package commensurate with merits. We believe in growth of the organisation through development of people.

ROLE & PERSON : This is a senior position reporting to the Vice President (Operations). We are looking for an experienced person with engineering and professional management qualifications, with age around 35 years. He must have worked atleast the last 5 years at a responsible senior level in a reputed engineering concern, looking after all aspects of Materials Management including import formalities independently.

Please send us your bio-data specifying areas of experience and achievements, salary drawn and expected, etc. to:

THE CORPORATE MANAGER (HRD)
TRUMAC ENGINEERING CO. LTD.,
NIDC, NEAR LAMBHA VILLAGE,
P.O. NAROL, AHMEDABAD - 382 405.

THE
Business India
GROUP

The **Business India Group** is expanding and strengthening its marketing department. The Group is in search of bright and enthusiastic young men and women, between 20 and 30 years of age, who are looking for the right opportunity to make a career in marketing and sales. Within the marketing department we require:

Advertising Executives
(Bombay/Madras)

The job is to sell advertising space for the magazines of the Group. It involves meeting a wide range of people at all levels.

Candidates must have an outgoing personality, enjoy meeting people, and have the ability to be persuasive and convincing in their sales approach.

Circulation Executives
(Bombay/Calcutta)

The job involves increasing subscription and retail sales of all the magazines of the Group. It requires meeting a wide range of people at all levels and an understanding of direct marketing and direct mail techniques.

Candidates must have a strong sales personality, be capable of analytical thinking and of implementing marketing strategies.

Experience

While experience in selling is preferred for both posts, it is not a prerequisite. A limited number of openings are also available for fresh graduates who will start as trainees.

Salaries

The remuneration for both posts will depend on work experience and capabilities. The Group's salaries are, however, above the industry average.

Applications, accompanied with the candidate's resume and a photograph, should be sent to:

The Marketing Director, **Business India Group,** Nirmal, 18th Floor, Nariman Point, Bombay 400 021

“Investors’ confidence has been proved”

Last month, **Champalal Changoiwalla** *became perhaps the first qualified chartered accountant ever to be elected president of the Calcutta Stock Exchange. Changoiwalla spoke to Basudev Dass of* Business India *at his Lyons Range office, where the CSE is located*

With the recently concluded mega issues, how do you view the future of the primary capital market in India?
The experience in the new issues market over the last two months proves that once again investors have confidence in the corporate sector and in the stock markets. The recent spate of rights and new issues gave investors a chance to dispose off their holdings and purchase shares in the same companies at lower prices. Thus investors have been able to book profits as well as reduce their average cost of holding shares. What has come out in the open is the role of financial institutions and company management in supporting secondary market prices.

In your estimate do you believe that the mega issues have attracted genuine investor response?
Very few — hardly 25 per cent of the subscribed amount can be attributed to new investors. If the issues have gone through, it is mainly on account of support from the institutions and management. Investors have fully exercised the advantage of exchanging old shares for new shares.

With elections barely a few weeks away how do you read the stock market movement?
By and large the average investor would like to reduce his commitments in the intermediary period. But I don’t expect the market to come down drastically because of support from the institutions, which is already forthcoming, and on the expectation that the Opposition does not have enough time to rally forth and win.

Inviting institutions to become members of the stock exchanges has become a contentious issue with stockbrokers. Your comments?
Our view in the CSE differs from Bombay on this matter. We have agreed in principle and admitted institutions — Canbank Financial Services of Bangalore and Industrial Finance Corporation, New Delhi — to become members. With the volume of business on the rise, brokerage business too can only increase. Even with the entry of the institutions, we feel that most of the business transacted in the ring will be done through us, the brokers.

While small towns such as Rajkot, Jaipur, Indore have emerged as new centres for collection of share applications, Calcutta seems to have given a wide berth. Why is this so?
The industrial development in West Bengal, as indeed in eastern India, has in recent years been non-existent, unlike Maharashtra and Gujarat. So it is not surprising that the equity cult in this part of India is missing. Moreover, people in West Bengal have lost money in jute and engineering shares in the fifties and sixties and again in the equity boom of 1985-86. Their experience has not been a particularly happy one. Can you blame them for being selective today?

Severe illiquidity spread over a large number of scrips, has been dogging the Bombay Stock Exchange. Is the experience any better in the Calcutta Stock Exchange?
The difference between buy and sell prices across a wide range of scrips in Calcutta is lower. People are satisfied with lower margins which lowers the ri element. This makes the market more liquid and we can see that volume of turnover has been increasing from abo Rs.30 crore in 1988 to Rs.40 crore in 1989. We expect to touc Rs.50 crore by early nex year.

In recent times the Controller of Capital Issues (CCI) has draw fire for what is described as an imperfect method of pricing equity offers. I you think that it sho be left to the market t decide the price of an issue?
In India, it won’t be practical to leave it to th market to decide the share premium. It woul only give company managements another opportunity to influenc share premiums. This w not augur well for the market. The formula used by the CCI, which takes into account the last three years’ share price, is acceptable. But an outside independent agency is required for determining issue price.

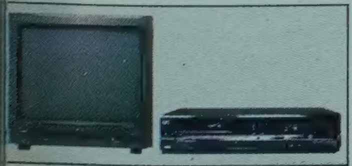
How do you view the role of the Securities Exchange Board of India?
I endorse the views expressed by the presidents of the Bombay, Ahmedabad Calcutta and Madras stock exchanges mid-September. At that time it was expressed that the Securities Contract (Regulation) Act had stood the test of time and should not be repealed but could be modified to meet the demand of the growing capital market. It was fe that SEBI should be constituted under this Act and whatever existing or additional powers the government desires, may be delegated from time to time. But, the autonomy of stock exchanges must be maintained. It was also stressed that the role of SEBI should be of a supplementary or advisory nature and for development purposes in areas like training programmes, publications, data processing, etc.

Some of our technology is only .00004 inches thick.

And some is 21 inches wide.

Microchip technology to home electronics. You really can't expect ess from NEC. Formerly the Nippon Electric Co. Ltd. As Japan's frontline electronics company, manufacturers today of over 15,000 products. And the undisputed eader. In supercomputers. Semiconductors. Industrial robotics. Putting high technology to work in he manufacture of TVs and VCRs — ome of the finest in Japan and n the world.

hat's NEC. Electronics in the service of man. And his family.



Models FS-3300 & DX-1000 E

FROM HI-TECH TO HOME TECH.

NEC

NEC Corporation, Japan

*For information only

RN 35850/78

REG. No. MI
SC

What did the Skypak Man say to the "Little Boy" at Brussels?
"If you're going to take long ... mind if I hop along to Tehran and New York and be back with you soon?"

We'll deliver. Wherever on earth. SKYPAK The worldwide couriers.

Skypak House, Off M. Vassanji Road, Marol, Andheri (E), Bombay 400 059.

Avenues SC 500.89